

JOURNAL

OF THE

AMERICAN BANKERS ASSOCIATION

The St. Louis Convention

ST. LOUIS made good. That is the verdict of the 3600 delegates, ladies and guests who attended the forty-fifth annual convention of the American Bankers Association in that city the week of September 29. From the time the advance guard began arriving until the last farewells were said, the visiting members were made to feel thoroughly at home. Socially as well as from the business standpoint, the big meeting was all of the success that had been hoped for it.

The business sessions of the convention occupied four full days, from Monday, September 29 to Thursday, October 2, inclusive. The general convention met in the Schubert-Jefferson Theatre Tuesday morning, Wednesday morning and all day Thursday, October 2, the rest of the time being devoted to the section meetings with the exception of Monday morning, which was given over to the committees.

The sessions of the main convention were marked by the absence of any element of discord. The officers named for the ensuing year were all the unanimous choice of the convention, and in this connection there were some pleasing features that marked the closing session. When President-elect Hawes was installed numerous baskets of flowers were brought on the stage of the theatre, sent by as many friends and well-wishers; a handsome silver service was pre-

sented to retiring President Maddox; and resolutions expressing the good will of the Association towards General Secretary Farnsworth on the eve of his retirement after twelve years of service were passed unanimously by the convention.

Col. Farnsworth announced that he was not a candidate for re-election as he had accepted the position of president of the Bankers Statistics Corporation of New York. On expressing a willingness to serve, however, until a suitable successor could be chosen, he was re-elected by the Executive Council and will serve until not later than January 1, 1920, by which time it is expected that a new General Secretary will have been selected by the Administrative Committee.

AMENDMENTS ADOPTED.

Amendments to the constitution and by-laws were adopted, as given elsewhere in this issue. The proposed amendments were published in the September number of the Journal, but the convention in acting upon them made some changes. The amendment providing for a new group of states composed of Delaware, Rhode Island and Nevada was displaced and a substitute adopted, which will make it possible for each one of these states to have its own member on the Executive Council of the Association. This eliminates the incongruity of having a banker from Rhode Island, for example, repre-

Officers 1919—1920

President :

Richard S. Hawes

Vice-President First National Bank, St. Louis, Mo.

First Vice-President :

John S. Drum

*President Savings Union Bank and Trust Co.,
San Francisco, Cal.*

Second Vice-President :

Thomas B. Adams

*Vice-President Merchants National Bank,
Richmond, Va.*

General Secretary :

Fred. E. Farnsworth
New York

Treasurer :

Harry M. Rubey

President Rubey National Bank, Golden, Colo.

General Counsel :

Thomas B. Paton
New York

Asst. Secretary and Asst. Treasurer :

William G. Fitzwilson
New York

sent a group which comprises a state so far removed from the sphere of his activities as Nevada, and thus makes it possible for every state in the Union to have its representative on the Council.

RESOLUTIONS.

The convention adopted resolutions (1) indorsing legislation looking to the extension of the inland system of waterways, (2) indorsing the campaign initiated by certain business organizations to combat the stock swindling evil, (3) urging the government to take steps to maintain the domestic production of new gold "in sufficient volume to satisfy the present anticipated trade requirements of this metal," (4) indorsing the National Thrift Movement inaugurated by the Treasury Department (5) indorsing the principle of universal military training for the youth of the nation, (6) calling attention to the need of prompt and generous assistance in the case of Corpus Christi, Texas, which had experienced a disastrous tidal wave, (7) expressing the Association's "deep and grateful appreciation" for the services of General Secretary Farnsworth during his period of service and extending its best wishes in his new field of endeavor, (8) creating a Committee on Education to supervise the preparation of text books on banking and finance suitable for introduction into the public schools of the United States and (9) expressing appreciation of the efforts of all those who helped to make the convention a success. The resolutions are given in full on another page.

COMMITTEE ON EDUCATION.

The decision to create a Committee on Education bids fair to rank in importance with the creation of the Agricultural Commission. It will be recalled that at the meeting of the Executive Council held at White Sulphur Springs last May the American Institute of Banking was requested to co-operate with the State Secretaries Section in ascertaining what the present situation is as regards the teaching of the elementary principles of banking and finance in the public schools of the United States. The conditions disclosed as the result of a thorough investigation made by the Institute convinced the Council that patriotism and the highest dictates of citizenship required immediate action looking to the education of the growing boys and

girls along lines which would go far towards offsetting bolshevist teachings among the coming generation.

OPENING SESSION.

At the opening session of the convention, President Robert F. Maddox presided and delivered his address which appears in full elsewhere in this issue. After disposing of officers' reports the convention listened to addresses by Governor W. P. G. Harding of the Federal Reserve Board, United States Senator Robert L. Owen and John Barrett, Director-General of the Pan-American Union. Governor Harding advocated an industrial truce of six months as a means of readjusting prices and living conditions. He said in part:

"Whether or not credit expansion is dangerous and harmful, depends not only upon the gold reserves supporting the credits, but upon the character and purpose of the credit. Drastic contraction of credit undertaken merely for the purpose of giving the dollar its former purchasing power would bring about wide-spread disaster, reduced productivity and unemployment.

"What is needed is the restoration of a proper balance between the volume of credit and the volume of goods. Because of the war financing of the government it is not practicable to reduce the volume of credit except gradually, and the best and probably the only remedy for the present unrest is to increase the volume of goods, and the

facilities for their distribution. Shorter hours and higher wages do not tend to increase production, but rather the reverse, and strikes and walkouts are doubly harmful in that they stop production without materially reducing consumption.

"It is important to us that Europe gets the things so necessary to the life and comfort of her peoples, for the restoration of a normal capacity for production and for her economic and financial rehabilitation. Let us not forget that a Bolshevik Europe means dangers, and constant trouble for America, for modern methods of communication have made us close neighbors to the rest of the world.

"The maintenance and development of our export trade along proper lines is important in order to give us an outlet for the surplus products for which we have the capacity when labor is fully employed."



RICHARD S. HAWES

President American Bankers Association; Vice President
First National Bank in St. Louis, Mo.

SENATOR OWEN'S ADDRESS.

Senator Owen took for the title of his address "Stability in Commerce and Government." He named fourteen elements as contributing to the present high cost of living and industrial unrest and classed them as a menace to the stability of the government. These fourteen factors, according to Senator Owen, are: "Gold expansion, federal reserve note expansion, credit expansion, high prices paid for material and labor by munition makers and government agencies, dislocation of peace industry, destruction of shipping, European demands, hesitation of capital because of unstable conditions, unrest of labor, interruption of exports, war and excess profits taxes, monopolies, local profiteering, extravagance of those who have profited.

"The effect of all these," he said, "has been to cause a feeling of violent unrest among those who have suffered and a false leadership has arisen, advising the overthrow of the existing order, because those charged with the duty of government do not afford adequate relief and offer no satisfactory solution."

Senator Owen expressed his opposition to the excess profits tax. He said: "The excess profits tax and some other government taxes add directly to the high cost of living because the manufacturer adds his tax to the price of his product, plus a manufacturer's profit on the excess tax. The broker passes it along and adds his profit on the excess tax. The wholesaler adds his profit and the retailer his, until the burdened consumer wonders what is the matter with the world that prices have risen 129 per cent since the war began.

"Since the excess profits taxes are charged on the consumer, the law should be repealed and the war taxes, instead of being collected to liquidate the principal of the war debt in a few years, should be extended over fifty years. Cost of every government waste and extravagance and employment of unproductive labor falls on the consumer and adds to the high cost of living. Therefore the government should be economically administered, a fixed amount set apart in a budget beyond which the expenditures should not be permitted to go. The government's expenditures should be subjected to constant supervisory audit, expressly charged with the elimination of waste.

"In lieu of the excess profits tax, a progressive inheritance tax should be employed, first to meet the cost of government and second, to prevent excessive commercial and financial power passing by inheritance into the hands of a single individual to the injury of his fellow men."

A resume of the address of Mr. Barrett appears on another page.

At the second day's session the speaker was David R. Francis of St. Louis, Ambassador Extraordinary to Russia. Mr. Francis appealed for assistance for the Russian people and denounced the Russian bolsheviks as the arch-enemies of the world. He gave many personal reminiscences of historical events in Russia and declared that if the bolsheviks had been exterminated the war would have ended a great deal sooner.

ATTORNEY GENERAL PALMER.

Attorney General Palmer spoke at the third session Thursday morning. He took occasion to assert his

belief that the peak of high prices had been reached and that the "buy now" movements inaugurated by merchants were intended to increase prices still further by accelerating the demand. Speaking of the widespread industrial unrest and the activities of the radical element in this country, the Attorney General said:

"They will get nowhere by such methods. The Government must protect itself against attacks from within as carefully and forcefully as it has shown itself to be able to protect itself against attacks from without.

"No officer of the Government will be embarrassed or affected, much less frightened, by any attempts, organized or unorganized, by lawless elements in the community to terrorize and stampede the Government into doing something contrary to the spirit of our free institutions.

"Every reform which the most radical may desire will receive a fair hearing and full consideration, and will become effective only if and when a majority of the people shall so decide. No change will be hastened by the use of force.

"Those who cannot or will not live the life of Americans under our institutions, and are unwilling to abide by the methods we have established, should go back to the countries from which they came.

"Idleness is no panacea for the ills from which the country suffers. Work may be. The cost of living is only enhanced by the idleness of men. It can be reduced by the intelligent industry of all. Other remedies may take us part of the way on the road, but they will never take us the whole distance."

The Attorney General was followed on the program by Dr. Irving Fisher of Yale University, whose address in summarized form appears elsewhere in this issue. Dr. Fisher advocated stabilizing the dollar as a means of readjusting the economic situation in this country, varying the weight of gold in the dollar periodically, or as often as may be necessary, in order to keep the balance of purchasing power. His suggestion was referred for consideration to the Executive Council, which at its meeting Thursday evening referred the question to the Currency Commission.

At the afternoon session Dr. P. P. Claxton, United States Commissioner of Education, spoke on the subject "Education to meet the Changed Social and Economic Conditions in the United States."

ENTERTAINMENT.

The entertainment left nothing to be desired. The outstanding feature, of course, was the "mammoth indoor circus, royal hippodrome and dansant" given by the associated banks and trust companies of St. Louis Tuesday evening at the Coliseum. It was everything that the title called for, and a little more. One of the features was the presentation of the "key to the city" to President Maddox, and another was the tableau of the Federal reserve system. Dancing followed the performance, which was of a high order of merit.

Monday evening there was a theatre party for the ladies and a smoker for the men. Monday afternoon there was a general automobile ride in the course of which a stop was made at the Art Museum, where after an inspection of the paintings and other art treasures

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Resolutions of the Convention

INLAND WATERWAYS.

Resolved, that recognizing the vital importance of the inland waterways of our country as an important part of our system of transportation and realizing that increased transportation facilities are at this time one of our nation's greatest needs, we urge upon Congress immediate legislation and appropriation to improve and extend these highways of commerce so as to afford in as many sections of the country as possible the most economic route from interior points to the seaboard.

STOCK SWINDLING EVIL.

Whereas, the great army of investors created by government war loans are being defrauded of tens of millions of dollars by unscrupulous venders of worthless stock and

Whereas, the consequent depletion of the country's capital, unemployment, reduced buying power and reaction in the minds of the people turning them from patriotic thrift into dissatisfaction and distrust of our institutions and of public securities is of vital concern to all reputable business, and

Whereas, a movement has been initiated to organize business associations to combat the stock swindling evil, and

Whereas, Secretary of the Treasury Glass has said of such a movement that it "will not only be desirable but almost essential" and Chairman Hamlin of the Capital Issues Committee has written that he believes the proposed plan "will go far towards checking the evil"; be it

Resolved, that the American Bankers Association endorses the purposes of the Business Mens Anti-Stock Swindling League and requests enrollment as a co-operating member.

GOLD PRODUCTION.

Whereas, the gold production of the United States which declined so rapidly during the war period has since the signing of the armistice still further declined because of the extreme economic pressure to which the gold mining industry has been subjected, and

Whereas, gold is the standard of value and the basis of all credit, and it is vitally important to the financial and commercial life of the nation that the monetary reserve be protected; now, therefore, be it

Resolved, that the American Bankers Association in Convention assembled, respectfully request and urge upon the Government of the United States the desirability of maintaining the domestic production of new gold in sufficient volume to satisfy the present anticipated trade requirements for this metal, and ask that steps be taken immediately to that end; and be it further

Resolved, that the General Secretary of this Association be, and hereby is, instructed to send a copy of this resolution to the President of the United States, the Secretary of the Treasury, and the members of the Senate and House of Representatives of the United States, advising them of its adoption; and be it also further

Resolved, that considering the great importance of this subject, this convention recommends to the Executive Council that the matter be referred to the Federal Legislative Committee and the Currency Commission for an exhaustive study and such action as may be deemed necessary.

NATIONAL THRIFT MOVEMENT.

Whereas, the United States Treasury Department is continuing to offer its savings securities not only to provide funds for the use of the Government but to encourage thrift as an essential condition for economic readjustment; and

Whereas, the high cost of living crisis re-emphasizes the need of thrift, since thrift promotes increased production and saving upon which the readjustment of wages and prices waits; therefore be it

Resolved, that the American Bankers Association heartily endorses the principles of the National Thrift Movement inaugurated by the United States Treasury Department, namely, wise spending, intelligent saving and safe investment; and pledges its members to aid the movement in every possible way; and be it further

Resolved, that this Association heartily indorses the plan for "National Thrift Week" set for January 17, 1920.

UNIVERSAL TRAINING.

Resolved, that the American Bankers Association endorses the principle of universal training for the youth of the nation and recommends to the Congress of the United States that suitable laws be enacted to provide for this important and very valuable education in the duties and responsibilities of citizenship for all young men as they reach maturity; be it further

Resolved, that the Association call upon its members individually in favor of universal training to do their full duty in spreading without delay, full information in every community in order that the people may understand the object and the results to be expected from such laws.

CORPUS CHRISTI.

Whereas, a terrible disaster has overtaken the people of Corpus Christi, resulting in the loss of about a thousand lives, and which has left many hundreds of people destitute; be it

Resolved, that we call to the attention of the members of the American Bankers Association the necessity for prompt and generous financial assistance.

GENERAL SECRETARY FARNSWORTH.

Whereas, it has come to the attention of the American Bankers Association in convention assembled, that Col. Fred. E. Farnsworth has indicated his desire to leave the office of General Secretary of the Association to accept another position, and

Whereas, under the administration of the said General Secretary, he has been largely instrumental in increasing its membership from 9,251 to 20,214 members, has greatly enlarged its activities and inspired constructive policies, investments and services of untold value to American bankers, and as incidental thereto he has taken part in the establishment of the Journal of the Association, a Legal Department, a Protective Department with a Rogues' Gallery containing over 6,000 photographs of criminals and alleged criminals, a large Library of specialized works accessible to the members of our Association, all of which has been helpful in making this Association one of the most potent and effective factors in developing the banking and trust business of the nation, and

Whereas, in addition to the material benefits which he has brought to this Association and its membership, he has also assisted in creating a warm and helpful personal relation between the members of our Association and a large circle of public officials and economic and business experts, thereby building a strong national support for and confidence in the American Bankers Association as an instrumentality for our national welfare, as well as the good of its own members, therefore be it

Resolved, that the American Bankers Association in this forty-fifth annual convention assembled, does hereby extend to Col. Farnsworth its deep and grateful appreciation for his efficient official services, and for the personal sacrifices which he has made for the growth of our Association and the extension of its material benefits to our members; and be it further

Resolved, that the Association does hereby extend to Col. Farnsworth its good will and best wishes in the new field of endeavor which he is about to enter and that the influence and grateful appreciation of this Association shall go with him.

COMMITTEE ON EDUCATION.

Whereas, conditions now existing in this country emphasize the necessity for public understanding of banking and finance and bring forcefully to our attention the duty of American Bankers to do their utmost to correct misunderstandings regarding the functions and purposes of our several banking systems, to promote through early training habits of thrift, to familiarize the coming business men and women of this country with the nature of money and its uses, to enable them to distinguish between speculation and investment, and to broaden the service of the bankers of this nation to the general public by drawing the people into closer relations with the bankers of each community, and

Whereas, the Executive Council at its meeting held in White Sulphur Springs in May last adopted a resolution concerning the preparation of text literature on banking and finance suitable for use in the public schools of the United States and referred the same to the State Secretaries and American Institute of Banking Sections, and

Whereas, the American Institute of Banking Section has submitted a report describing text books now in existence, the opinions of publishers regarding present and prospective demands for such literature, and statements of state and city superintendents of schools, clearly demonstrating the inadequacy of the text literature now available; therefore, be it

Resolved, that the President be authorized and directed to appoint at this session of the convention a Committee on Education of not less than five members; that such committee shall be authorized to employ if necessary a suitable person to compile suitable literature, to have it carefully revised by competent educators and to endeavor to secure its introduction into all the schools of the United States; and be it further

Resolved, that the Committee on Education shall also be authorized and empowered to devise and execute such other plan or plans as it may deem advisable looking to the education of the general public on subjects above outlined.

THANKS.

It is the unanimous opinion of the Committee on Resolutions that the American Bankers Association should express by a rising vote its appreciation of the successful efforts made by those who have contributed to making this, the forty-fifth annual convention, an out-standing social and business success.

Special thanks are tendered to the Algonquin Country Club, Bellerive Country Club, Boggy Club, Forest Park Golf Club, Log Cabin Club, Midland Valley Country Club, Normandy Golf and Country Club, Ridge-dale Country Club, Triple "A" Golf and Tennis Club and Westwood Country Club, who extended their full hospitality and club facilities to the delegates and their guests.

To the associated banks of St. Louis grateful acknowledgment is made for the happy and continuous entertainment supplied to delegates, guests and visitors and especially for the cordial welcome and hospitality offered

at the banking rooms of all the banks in the city of St. Louis, and to the ladies of this city who extended to visiting ladies the splendid welcome, evidenced by many charming receptions and social events. The welcome of Frank O. Watts, President of the St. Louis Clearing House Association was most pleasantly and concretely reflected in the actions and hospitality of the bankers of St. Louis. Nothing has been neglected which could add to the pleasure, entertainment and profit of the visitors and the work of the delegates at this convention.

We desire to express our grateful appreciation and sincere thanks to Hon. Robert L. Owen, United States Senator from Oklahoma, Hon. W. G. P. Harding, Governor of the Federal Reserve Board, John Barrett, Director-General of the Pan-American Union, David R. Francis, Ambassador Extraordinary and Plenipotentiary to Russia, A. Mitchell Palmer, United States Attorney General, Dr. Irving Fisher, Yale University and Dr. P. P. Claxton, United States Commissioner of Education, for having honored us with their presence and for the instructive, timely and masterly addresses delivered by them respectively.

We desire to express particular appreciation for the manner in which the local press, the newspaper correspondents, the Associated press and the United press have handled the news of the Convention, and for the generous space the newspapers and bank publications have given to our deliberations and proceedings; and we are grateful to the Statler, Jefferson and the Planters hotels for the courtesies extended and for official quarters furnished complimentary to the Association, its several sections and officers.

Since the American Bankers Association has established an enviable record for loyalty, patriotism and financial support in the prosecution of the late war, and is now taking such a foremost place in the progressive agencies for the establishment of permanent peace and prosperity of our people, and since these ends could not have been accomplished but for the loyal support and co-operation of the member banks, we desire to extend our heartfelt thanks to each and every one of them for the part they have taken and the ready manner in which they have acceded to every request for co-operation from this organization.

The St. Louis Convention

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the visitors were served with refreshments by the ladies of St. Louis. There was a lawn fete for the ladies Wednesday afternoon at the St. Louis Country Club. In the evening, a dance was given at the Planters Hotel and refreshments were served. The ladies were further entertained at a card party and tea Thursday afternoon. The delegates and guests who remained after the close of the convention were privileged to participate in a golf tournament at the Bellerive Country Club, lasting all day Friday.

EX-PRESIDENTS' LUNCHEON.

Following the precedent of several years, established by ex-President Wm. Livingstone, one of the most interesting and important events of convention week was the ex-Presidents' luncheon given by Com-

modore Livingstone at Hotel Statler on Wednesday, October 1, at 1 o'clock.

All of the ex-Presidents who were in St. Louis attended the luncheon. It was served in the Daniel Boone Room, which was decorated with flowers and plants appropriate to the occasion. A silent toast was drunk to Col. Lowry, of Atlanta, Ga., and Gov. James K. Lynch of San Francisco, Cal., two of the ex-presidents who have passed to the beyond since the last Convention.

Those present were: President R. F. Maddox. Vice-President R. S. Hawes, General Secretary Fred. E. Farnsworth, ex-Presidents Geo. M. Reynolds, Arthur Reynolds, F. O. Watts, Walker Hill, P. W. Goebel, C. A. Hinsch, John L. Hamilton and Wm. Livingstone, host.

This Issue of the Journal

On account of the strike of printers in New York which went into effect October 1, the Journal of the American Bankers Association, in common with all other periodicals published in this city, has been hampered and delayed in getting the current issue before its subscribers. The outbreak of the strike found the Journal with more than half of the material for the October issue in type, but without any visible means of getting it completed, printed and mailed. In consequence, this issue is not only late but is also somewhat

reduced in size from what had been originally planned for the convention number; the regular departments have been omitted and all other matter has been condensed to a large extent. In view of the fact that many publications of national circulation have suspended entirely until the labor dispute is settled, while others have appeared as emergency issues in mimeograph form, it is confidently believed that the members of the Association will understand this reduced and belated issue.

Trust Company Section

The twenty-fourth annual meetings of the Trust Company Section were held in the ballroom of the Hotel Statler, St. Louis, Mo., Monday and Tuesday, September 29 and 30, 1919.

The first session was called to order by President Platten, on Monday at 2:00 P. M. The invocation was pronounced by the Rev. G. A. Hulbert, D. D., Pastor Kingshighway Presbyterian Church, St. Louis, and was succeeded by the following program:

Address of Welcome, by the Breckinridge Jones, President Mississippi Valley Trust Co, St. Louis, Mo.

Reply to Address of Welcome, by Uzal H. McCarter, President Fidelity Trust Company, Newark, N. J.

Report of the Executive Committee, by Edmund D. Hulbert, President Merchants Loan & Trust Company, Chicago, Ill., Chairman.

Report of the Committee on Legislation by Hon. Henry M. Campbell, Chairman of the Board of Directors Union Trust Company, Detroit, Mich., Chairman.

Report of the Committee on Protective Laws, by Theodore G. Smith, President International Trust Company, Denver, Colo., Chairman.

Report of the Committee on Publicity, by James M. Pratt, Vice-President Guaranty Trust Company of New York, New York City, Chairman.

Report of the Committee on Standardization of Forms and Charges by J. A. House, President Guardian Savings & Trust Company, Cleveland, Ohio, Chairman.

Report of the Committee on Co-operation with the Bar by Francis H. Sisson, Vice-President Guaranty Trust Company of New York, New York City, Chairman.

Report of the Committee on Fiduciary Protection for Men in Service, by H. C. Robinson, Vice President Guardian Savings & Trust Company, Celveland, Ohio, Chairman.

Report of the Committee on Railroad Securities, by Lynn H. Dinkins, President Interstate Trust & Banking Company, New Orleans, La., Chairman.

Report of Special Committee on Legislation, by W. C. Booth, Vice President Guaranty Trust Company of New York, New York City, Chairman.

Roll Call and Reports of State Vice-Presidents,

Report of the Secretary, by Leroy A. Mershon.

The second session was held Tuesday, September 30. The annual address of the President was delivered by John W. Platten, president United States Mortgage & Trust Company, New York, followed by an address on "The Development of Community Foundations and Trusts," by F. H. Goff, president Cleveland Trust Company, Cleveland, O., and another upon "Some New Duties of Bankers" by Hal H. Smith, member board of directors, Union Trust Company, Detroit.

President Platten spoke in part as follows:

"The general problems confronting the country today are many and varied, demanding clear thinking and the exercise of the soundest judgment and the most intelligent co-operation on the part of every Trust Company man, not only as a citizen, but as a guardian of the funds of others. Any one of them might be dwelt upon at great length. I hesitate to take up even a moment of your time on these matters because you are all familiar with them, and yet on an occasion such as this, it is only proper and appropriate to refer to the

two overshadowing questions of domestic importance, namely, the railroads and the general labor situation."

As to the railroads, he said: "The transportation system of the United States as a whole has at the present time practically no reserve capacity. In fat years it will be taxed to the utmost to handle our domestic and export requirements. We also realize that because of Federal and State regulation the railroad business has lost much of the attraction which heretofore gathered into its service and developed some of the ablest men of our time. Any solution of the railroad problem must offer both adequate facilities for our future needs and a career for ambitious men with a fitting reward for efficiency. To accomplish these indispensable objects it is absolutely essential that railroad credit be restored and railroad securities again be made a premier investment. While some of the country's greatest thinkers have devoted long study to the question, no proposal yet made has met with general acceptance" but he expressed the belief that "out of the confusion some solution, embodying all the advantageous features of the various plans advanced, will finally emerge, which will no doubt, insure to the owners control and management of their properties under reasonable Governmental regulation and recognize, in a liberal spirit, the rights of the traveling and business public, and the legitimate claims of employes whose cooperation is necessary for the successful operation of the railroads."

Referring to the labor situation, he stated: "I personally hold no brief for profiteers, for employers who pay less than a living wage, or for the reprehensible methods which have come to be identified with the sweatshop. On the other hand, labor must realize sooner or later that there is no mystery, no secrecy, in the ways and means by which men accumulate competencies. No set of laws, no system of taxation, no distribution or redistribution of wealth or incomes, can make a people prosperous. Each and all must work and each man is rewarded according to his contribution to society. 'In the sweat of his face shall he eat bread.' This is as true today as when it was first spoken more than two thousand years ago and it is one of those fundamental truths which do not change with the passage of time and the alteration of economic conditions.

"The high cost of living can best be combatted by increased production—under production causes real privation to the masses whose purchasing power is limited.

"Many find it difficult to answer the question which is being asked by thinking people all over the world today: 'Why is it that with billions of capital literally wiped out of existence by the destructive processes of war, and ten millions of producers in their graves, a large part of the world is today spending money more lavishly than ever before on non-essentials—especially in America.' The answer is a simple one: 'The habit of spending' has been formed and to gratify it without

stint we are, without realizing this fact, borrowing from the accumulated capital of civilization and dissipating resources which ordinarily would have been held in trust, as it were, and laid aside for the next generation. It may, therefore, be said in a very real sense that it is posterity which, after all, is going to pay a large share of the bills for our present day extravagances. All of these considerations are intimately connected with the relations existing between capital and labor and between employer and employe. Cordial cooperation between employer and employe is more than ever essential, production should govern wages and 'political wage-making' be discouraged as a dangerous precedent, and while appreciating that we are confronted with a disturbing condition of affairs, with problems pressing upon us which have never been so vast, so numerous, so complex, yet having faith in this nation's ability to overcome great obstacles, I am confident we shall be able to meet and pass them successfully. At any rate, we must go forward with unshakable optimism, with shoulders square and heads high. What we need most of all is WORK—MORE WORK—THRIFT—and WHOLE-HEARTED COOPERATION."

In touching upon trust company progress during the past year, Mr. Platten said that wonderful advances had been made, as revealed in the increase in trust company resources of one and three quarter billions of dollars, making the total for all trust companies, as of June 30, \$11,150,000,000.

At the Tuesday meeting the following resolution was adopted:

"WHEREAS, the removal of the Association offices from New York has been discussed and recommended by certain members, and

"WHEREAS, the Executive Committee of the Trust Company Section has unqualifiedly opposed such removal through the passage of a resolution adopted at a meeting of the Committee, on February 21, 1919, therefore be it "RESOLVED, that this Section approves of the action then taken by the Executive Committee in this respect, and be it further "RESOLVED, that this Section disapproves of the agitation and declares its purpose to retain its offices in the City of New York."

The nominating Committee submitted as their recommendation for members of the Executive Committee to serve three years, the following, who were unanimously elected: Nathan D. Prince, vice-president Hartford-Connecticut Trust Company, Hartford, Conn.; George D. Edwards, vice-president Commonwealth Trust Company, Pittsburgh, Pa.; Evans Woollen, president Fletcher Savings & Trust Company, Indianapolis, Ind.; John Stites, president Louisville Trust Company, Louisville, Ky.; W. J. Kommers, vice-president Union Trust Company, Spokane, Wash.

Lynn H. Dinkins, president Interstate Trust & Banking Company, New Orleans, La., was elected President and Edmund D. Hulbert, president Merchants Loan & Trust Company, Chicago, First Vice-President of the Section. At a meeting of the Executive Committee held at the close of the session, J. A. House, president Guardian Savings & Trust Company, Cleveland, was elected Chairman, and Leroy A. Mer-shon re-elected Secretary of the Section.

Lack of space in this issue of the Journal forbids the publishing of full details regarding reports or addresses, which will be covered in a subsequent issue.

Savings Bank Section

Promotion of savings and thrift, conservation of security values and the relation thereof to public finance and private initiative, further development of savings banking for the benefit of depositors and to meet community needs, such were some of the problems before the recent annual meeting of which no detailed account can appear in this issue of the Journal owing to limitations of space imposed by labor conditions in the printing houses.

It is hoped that every savings banker will give a careful reading to the complete report as it will appear in the "Proceedings". The discussions were of rare value and were led by such men as President V. A. Lersner on the progress of savings banking; John J. Pulleyn, H. E. Boynton, and George Woodruff, on amortization; Osgood E. Fifield on appraisals; Howard F. Beebe on municipal securities; Samuel Rea and Luther Walter on the railroad problem; George E. Roberts on critical economic conditions; Kingman Nott Robins on tax exemption menace for securities; Jerome Thralls on bankers acceptances; Ralph Ingalls

on the nature and effect of Federal bureaucratic activities.

The resolutions included denunciation of class subsidies through tax exemptions, urged a national budget, pledged cooperation in thrift work, promised continued effort for systematic reduction of mortgage indebtedness, and expressed sincere appreciation of the work of the retiring President, and for the five years of section progress largely attributable to its retiring secretary, M. Milton Harrison.

New officers were elected as follows: President: S. Fred Strong, Treasurer Connecticut Savings Bank New Haven, Conn. Vice President, W. A. Sadd, President Chattanooga Savings Bank, Chattanooga, Tenn. Executive Committee: term 1919-1920, to fill vacancy, Wm. E. Knox, comptroller, Bowery Savings Bank, New York City, term 1919-1922. M. A. Traylor, Pres., First Trust & Savings Bank, Chicago, Ill. Louis Betz, Treasurer, State Savings Bank, St. Paul, Minn. W. D. Longyear, vice-president Security Trust & Savings Bank, Los Angeles, Cal. Secretary L. D. Woodworth, New York.

State Bank Section

THE annual meeting of the State Bank Section, held Monday and Tuesday, September 29 and 30 at the Schubert-Jefferson Theatre, was an unqualified success not only in the matter of attendance, which was all that could be asked, but in the quality of the mental provender served to those present. President Craig B. Hazlewood presided and in his address stated that while the present economic and financial position of this country is fraught with danger, he had sufficient confidence in the resourcefulness of the American people, the sound condition of the banks, both state and national, and the proved ability of the Federal reserve system to believe that the shock of a great financial reaction would be successfully absorbed.

In addition to the several committee reports, all of which were of interest, the meeting on Monday developed a discussion on the topic, "Trust Powers for State Banks," led by Andrew Russell, State Auditor of Illinois. Another feature was a talk on "State Banks and the Federal Reserve System," by Henry A. Moehlenpah, newly appointed member of the Federal Reserve Board, who received an ovation.

"Bringing Up Capitalists" was the title of an address by Harvey Blodgett, president Harvey Blodgett Company of St. Paul. "State Rights" was discussed by Wm. McFerran, president State Savings Bank of Topeka; and Fred Collins, vice-president Bank and Trust Company of Memphis, spoke on "New Phases of the Exchange Question" in his usual happy vein.

Owing to lack of space in this issue of the Journal, due to the printers' strike, it is not possible to give extended extracts from the addresses and reports, as had been intended. These will be reserved for a future issue.

An outstanding feature of the meeting was the adoption of resolutions insisting that the state bank members of the Federal reserve system be given their proportionate share of government deposits, which, it was alleged, are now largely distributed among the national banks. The resolutions follow:—

"Whereas, many of the state banks of the United States eligible to membership in the Federal reserve system have because of their desire to support the government's undertaking, so in a greater measure to unify the banking system of our country, joined the Federal reserve system, and have thus put themselves under the supervision of the Federal government:

"Therefore, be it resolved, in the distribution of government deposits there be made no distinction between such state bank members of the Federal reserve system and the banks operating under a national charter.

"Be it further resolved, that a copy of these resolutions be duly certified by our secretary and forwarded

to the proper governmental agencies, and that our officers be instructed and charged with the duty of bringing about this much-deserved equality of treatment, which in all fairness should be accorded to placing of government deposits with all members of the Federal reserve system."

A subject of special interest at one of the meetings of the State Section was the question of Exchange. Discussion was led by Fred Collins, who reviewed the methods of the Federal reserve system in this particular and the work done by the Committee of Twenty-Five and the Committee of Five of the American Bankers Association. Mr. Ben Johnson of Mansfield, Louisiana, stated that law and justice demand that banks, like everybody else, should be paid for services rendered, and not one could deny that an equitable charge for services rendered in connection with exchange is reasonable. He urged that action should be taken looking to the amendment of the par collection section of the Federal Reserve Act -paragraph 13 of section 16. Mr. Phillips of Illinois, Mr. Cook of Mississippi, Mr. Porter of Utah, Mr. Sheldon of Georgia, Mr. Marion of Louisiana, Mr. Fife of Tennessee, and others, participated in the discussion. On motion of Mr. Fife, duly seconded and carried, it was voted the State Bank Section of the American Bankers Association go on record as opposing par remittances arbitrarily imposed by the Federal Banks, and then invite the other sections of the American Bankers Association to join with the State Bank Section in the work undertaken by the committee and the action they have taken, and, if necessary, request the expenditure of the funds of this section in this work.

The following officers were elected: President, J. W. Butler, vice-president Texas Bank and Trust Co., Galveston, Texas; First Vice-President, E. C. McDougal, president Bank of Buffalo, Buffalo, N. Y.; Chairman Executive Committee, R. S. Hecht, president Hibernia Bank and Trust Co., New Orleans, La.; Secretary, George E. Allen, New York.

"MEETING EXTRAORDINARY."

A special meeting on "Model State Banking Laws" was held Wednesday evening under the auspices of the State Bank Section for the purpose of considering constructive state bank legislation. E. C. McDougal, chairman of the State Legislative Committee of the State Bank Section, presided and the principal speaker was George I. Skinner, Superintendent of Banks of New York State. Mr. Skinner divided his address under two heads, first stating provisions designed to protect the depositor, and second, those giving necessary powers to bankers to permit them to play their part in the development of the country's business. General discussion followed the address.

National Bank Section

IT IS not an exaggeration to state that the officers, Executive Committee and all members of the National Bank Section are extremely gratified at the success of the section's meetings during the annual convention of the American Bankers Association in St. Louis, Mo., Sept. 29-Oct. 2. The attendance at both the meetings of the section was very large; indeed, nearly as many were present as at the assemblies of the general association. The crowded ball room of the Planters Hotel Tuesday and Wednesday afternoons gave certain evidence of the continued interest, the solidarity and the community spirit of the National Bank Section. All except two of the section officers and Executive Committee were in St. Louis.

The Executive Committee met several times and transacted important business, giving each report of the sub-committees careful review, and deciding among other things to ask the Executive Council for an increased appropriation, and for an addition of six members to the committee, both of which requests were granted.

The first meeting of the section was held Tuesday afternoon and was opened with the singing of the "Star Spangled Banner." Oliver J. Sands, President of the Section, presided. The invocation was pronounced by the Rev. Z. B. T. Phillips of St. Peter's Episcopal Church of St. Louis. Waldo Newcomer, president of the National Exchange Bank of Baltimore, was the first speaker and the subject of his address was "Improving the Relations Between Federal Reserve and Member Banks." He pleaded "for hearty, sympathetic, unselfish co-operation in working out the great possibilities of the system and building up in this country the greatest and soundest financial system possible in this world."

First Vice-President Richard S. Hawes of the American Bankers Association made a brief and felicitous address, urging the co-operation of the sections in support of the Association.

Dr. Virgil M. Harris, trust officer of the National Bank of Commerce in St. Louis, spoke on "The Trust Department of a National Bank." It was a practical and valuable address, in the course of which he said: "Whether or not a trust department is a paying adjunct of a bank depends largely on the individual case. It is possible to make it one of the very best sources of revenue to the bank."

The concluding address of the afternoon was "Some Unconsulted Ledgers," by Douglas S. Freeman, LL.D., editor of *The News Leader* of Richmond, Va., and proved of absorbing interest, as shown in the close attention given by the auditors. Dr. Freeman is one of the most gifted and popular orators of the south and in his effort at St. Louis amply justified his high reputation.

The reports of the standing committee on "Acceptances" was made by Chairman Jerome Thralls and adopted.

On motion of G. A. Pondrom of Texas the by-laws of the section were amended to provide for twelve.

instead of six, members of the Executive Committee, no two of whom shall be from the same Federal reserve district; in future four members will be elected each year for a three-year term.

Wednesday 1,000 persons were present at the meeting. "America" was sung. President Sands called the assemblage to order and a letter from Hon. Carter Glass, Secretary of the Treasury, was read, in which he expressed deep regret that official business in Washington prevented him from fulfilling his promise to address the section. On motion the Committee on Resolutions prepared and forwarded to Secretary Glass a telegram, thanking him for his letter and expressing regret at his inability to be present.

When Hon. John Skelton Williams, Comptroller of the Currency, was introduced he received an ovation, the audience rising and applauding. The comptroller's subject was "America as Atlas," and in opening he said: "The bankers of the United States have just finished the performance of one miracle and are beginning another. They have done the swiftest and most important job in all the history of banking and finance, and now face work demanding even more of their wisdom, their resourcefulness and their genius. The Atlas of mythology carried the world on his shoulders. You bankers in reality are to supply the strength and sinew with which this republic is to lift and for a time, at least, carry a world yet seething, after the extinction of the fiercest of the flames threatened to consume our hopes." The Comptroller throughout was accorded closest attention, and when he had ended a rising vote of thanks was given him for his interesting address.

J. Elwood Cox, chairman of the Committee on State Taxation of National Banks, and N. P. Gatling, chairman of the Committee on Secret Assignment of Accounts made reports which were discussed at some length.

The Committee on Resolutions reported as follows and the report was adopted:

"We give it as our opinion that the meeting of the Section in St. Louis is the most successful of any yet held. For this gratifying state of affairs we find that credit should be given to many. First of all we thank the bankers and the people of St. Louis for their cordial welcome and generous hospitality. We make special mention of Mr. Joseph S. Calfee, former President of this Section, who has not spared himself labor or expense in arranging for the sessions of this body.

"We make grateful acknowledgment of the magnificent addresses delivered before the Section by Hon. John Skelton Williams, Comptroller of the Currency, Washington, D. C.; Mr. Waldo Newcomer, president of the National Exchange Bank of Baltimore; Dr. Virgil M. Harris, trust officer of the National Bank of Commerce in St. Louis, and Dr. Douglas S. Freeman, editor of the *News-Leader* of Richmond, Va. We pay appreciative tribute to Rev. Z. B. T. Phillips, rector of St. Peter's Episcopal Church of St. Louis, who pronounced the invocation; to Mr. Harry B. Marshall of

St. Louis who led us in patriotic songs and to Mr. H. W. Schaefer of St. Louis who accompanied on the piano. Furthermore we thank the Old Colony Club of St. Louis which placed its handsome suite of rooms in the Planters Hotel at the convenience of the executive committee of this Section. Nor should the press of St. Louis be overlooked in our gratitude for its full and favorable reports of our meetings.

"Lastly, we give our cordial thanks to the officers. Executive Committee and various committees who have so intelligently, efficiently and faithfully served this Section during the past year. The trust we reposed in them has been fully justified. Their signal achievements have been the establishment of a branch service office in Washington, and the enlargement of our Executive Committee from six to twelve members, one each from the twelve Federal reserve districts. To them we say, well done, good and faithful servants, your great reward is the lasting confidence and gratitude of the National Bank Section of the American Bankers Association."

The report of the Committee on Nominations was unanimously adopted as follows: President—Walter W. Head, Omaha, Neb.; Vice-President—Henry H. McKee, Washington, D. C.; Executive Committee: One year, Alfred L. Aiken, Boston, Mass.; John G. Lonsdale, St. Louis, Mo.; Theodore Wold, Minneapolis, Minn.; Two years, Waldo Newcomer, Baltimore, Md.; George A. Kennedy, San Francisco, Cal.; Three years, Charles S. Calwell, Philadelphia, Pa.; R. D. Sneath, Tiffin, O.; Thomas R. Preston, Chattanooga, Tenn.; James Ringold, Denver, Colo.

The president and vice-president were inducted into office. The retiring president, Oliver J. Sands of Richmond, Va., received from his associates on the Executive Committee an elegant pitcher and tray in sterling silver, in testimony of their high regard. The meeting then was declared adjourned without day.

A happy incident at St. Louis was the luncheon tendered the officers and members of the new Executive Committee Thursday noon by John G. Lonsdale, president of the National Bank of Commerce in St. Louis.

Clearing House Section

The annual meeting of the Clearing House Section opened at the Planters Hotel, St. Louis, Tuesday, September 30. President Thomas B. McAdams presided and delivered the annual address. Following the reading of the report of A. A. Crane, Chairman of the Executive Committee, the meeting heard an able address by Dr. M. Ashby Jones of Atlanta, Georgia, on "The Clearing House, the Heart of the Financial World."

This was followed by an address by Sol. Wexler on "The Clearing House, a Factor in Foreign Trade Development," which in the absence of Mr. Wexler was read by W. C. Cornwell of J. S. Bache & Company, New York.

Next on the program was the reading by Raymond F. McNally of an interesting paper prepared by Wayne Hummer on "The Need for Clearing Houses in Smaller Communities."

The session was closed with a brief address by Richard S. Hawes, President of the American Bankers Association.

The second session was held in the ballroom of the Statler Hotel, Wednesday, October 1. The first speaker was George M. Reynolds of Chicago, who discussed "Domestic Reconstruction Problems."

This was followed by a few remarks by William Livingstone, a former president of the American Bankers Association. Then came an address on "Analysis and Comparison of Clearing House Rules" by F. K. Houston.

The next speaker was the former secretary of the Clearing House Section, Jerome Thralls, now secretary-treasurer of the Discount Corporation of New York, who presented "Problems and Progress with Dollar Acceptances." At the conclusion of his speech Mr. Thralls offered to answer all questions put to him by those present. A number availed themselves of this opportunity. This was followed by an informal discussion of Clearing House problems and methods by a number of clearing house examiners present.

The following resolutions were adopted:

"Resolved: That a vote of thanks be given to Jerome Thralls, former secretary, for his very efficient activities in connection with the work of the Section until the time of his resignation.

"That a vote of thanks be tendered the members of this Section and its officers for their activities, and that even greater energy be strongly urged upon them concerning very important problems to be considered during the coming year.

"That adoption in general be made of the use of the credit statement form already prepared by the Section.

"That further development be urged looking towards the more general use of trade and bank acceptances.

"That there be placed in operation further propaganda concerning the adoption by the different clearing houses of the forms of the clearing house commercial system.

"That an expression of thanks be accorded the various speakers, the St. Louis speakers, and all the people of St. Louis for the delightful hospitality extended during the convention."

The following officers were elected: President: Raymond F. McNally, vice-president and cashier, National Bank of Commerce, St. Louis, Mo.; Vice-President A. A. Crane, vice-president First & Security National Bank Minneapolis, Minn., Chairman Executive Committee, John R. Washburn, vice-president Continental and Commercial National Bank, Chicago, Ill.; Secretary, Amos F. Hill, 5 Nassau Street, New York; Executive Committee: (Term expiring 1920) James Ringold, vice president United States National Bank,

Denver, Colo.; John R. Washburn, vice-president Continental and Commercial National Bank, Chicago, Ill. (term expiring 1921) Francis Coates, Jr., examiner Cleveland Clearing House Association, Cleveland, O.; Joseph Wayne, Jr., president Girard National Bank, Philadelphia, Pa., (term expiring 1922) A. D. Graham, president Citizens National Bank, Baltimore, Md.; Frank B. Yetter, cashier Iowa National Bank, Davenport, Iowa; (ex-officio) Thomas B. McAdams, vice-president Merchants National Bank, Richmond, Va.; Raymond F. McNally, vice-president and cashier National Bank of Commerce, St. Louis, Mo.; A. A. Crane vice-president First and Security National Bank, Minneapolis, Minn.

State Secretaries Section

AN INTERESTING program was arranged for the annual meeting of the State Secretaries Section, which was divided into two sessions in order to coincide with the general program, the first being held in the Ball Room of the Statler Hotel Tuesday afternoon, September 30, and the second in the Banquet Room of the Statler Hotel Wednesday afternoon, October 1. President F. H. Colburn of California presided. Twenty-nine secretaries answered the roll call and there were also a few assistant secretaries present. All formal addresses were eliminated, the time being devoted to discussions of special subjects as designated on the program, followed by an open forum on all matters associational and secretarial, under the topic, "Shop Talk."

The work of the year was comprehensively covered by the Secretary's report, which also contained several recommendations. Its various features were considered seriatim, the first item being the Service Bulletin, which the Secretary stated was a new feature of the Section's activities inaugurated during his administration, its mission being to disseminate information gathered from the secretaries of the various associations and the fact that some very commendatory letters had been received from Section members and officials of the A. B. A. indicated that it had been successful in supplying the need for such a medium. It was unanimously voted to continue the Service Bulletin in its present form.

Referring to finances, it was reported that disbursements for the year amounted to \$2,547.47 whereas the total appropriation of the Executive Council amounted to \$2,250.00 leaving a debit balance of \$297.47.

The Secretary's recommendation that the publication of the Section proceedings in a separate book be discontinued and that hereafter they be incorporated in the general book of the A. B. A., was adopted, it being the consensus of opinion that this would be a more practicable arrangement from both the standpoint of economy and distribution.

W. C. Macfadden of North Dakota, Chairman of the Committee on Forms, reported that the committee deemed it advisable, in view of the new conditions arising from the great volume of owners of Liberty Bonds, to concentrate its efforts upon the preparation of forms for handling Liberty Bonds and other negotiable securities by banks. The following forms were agreed upon:

First, a form of receipt for bonds left with the bank for safekeeping with an agreement to return the identical bonds left with the bank.

Second, a form of receipt for the same purpose but not agreeing to return the identical bonds left with the bank.

Third, a form of receipt and rental agreement for safety deposit boxes, and.

Fourth, a record book to be used exclusively for keeping a record of bonds and negotiable securities left with the bank for safekeeping.

Secretary Macfadden stated that in the forms of receipts and safety deposit box rental agreement, the liability of the bank was distinctly stipulated and the wisdom of the use of forms of this kind had been demonstrated by the fact that within the past two months banks not using a proper form of receipt for negotiable securities left for safekeeping, had been involved in litigation of an expensive and annoying character.

The committee expressed its belief in the existence of an opportunity for rendering valuable service in the continuance of the effort to standardize forms used by banks and especially the effort to standardize the size of checks, drafts, certificates of deposit and cashier's checks. It also recommended the use of separate and distinct forms of time certificates and demand certificates and that the records of such certificates be kept in separate registers in the smaller banks, as is generally done in the larger banks. The report was accepted and the committee continued.

"The Daylight Hold-up Menace and Other Matters Protective" was discussed by Geo. H. Richards of

Minnesota who described a plan being used with good effect in Minnesota. This involves the installation of an inexpensive alarm connecting with the office or place of business of some of the bank's directors or stockholders, who are provided with sawed-off shot guns. It was the sense of the meeting that the Secretaries recommend to members in their states the desirability of adopting every possible safeguard against daylight holdup in accordance with the following suggestions:

Installation of a simple electric alarm connecting with nearby stores, where responsible persons shall be provided with firearms.

That banks in smaller communities close during the noon hour to avoid the danger of having only one person in charge.

Having as little cash as possible on the counters; keeping the remainder in the safes under lock.

That the bolts on the vault door be thrown when the door is open so as to prevent the possibility of anyone being locked in.

That an electric torch be provided within the vault, also written directions as to how to proceed to notify the surrounding neighborhood to be on the lookout for the criminals in case of an attack.

It was also suggested that the Secretaries bring to the attention of the banks that investment in burglar alarms will materially decrease the cost of their burglary insurance.

Secretary Gum of Oklahoma asked the support of all the members for Senator Gore's bill making burglary of a Federal reserve member bank a Federal offense. The bill has been referred to the Senate Judiciary Committee and is expected to be reported out.

Secretary Bartlett of Wisconsin discussed "Sectional Conferences of Secretaries" and advocated group conferences of association officials as a means of securing country-wide co-operation in connection with protective work.

Secretary Haynes McFadden of Georgia led the discussion on "Uniform State Banking Laws" and brought out the fact that the new banking act passed by his state is a composite of all the good laws in the various states.

In a discussion on the subject "Safeguarding Liberty Bonds of Customers" a number of excellent suggestions were brought out. "Thrift Propaganda by

Means of Moving Pictures" was also discussed and graphically illustrated by moving pictures.

The meeting took up the matter of exchange of Liberty Bonds and ordered the following telegram sent to the Treasury Department at Washington:

Secretaries thirty state bankers associations in conference assembled urge upon Treasury plan for exchange or conversion of Liberty Bonds by consignment prior to payment of reasonable amount to banks based upon capital. We pledge co-operation in extending publicity and appreciation of banks in our states.

The matter of elementary banking education for the public schools of the United States was discussed and the fact brought out that the General Convention of the American Bankers Association had voted to appoint a Committee on Education for the purpose of preparing and introducing suitable text books. The Secretaries voted to ask President Hawes to appoint one member of the Secretaries Section on that committee.

The meeting listened to a short and interesting talk by Mr. Hawes in which he touched upon the general labor situation and called attention to the necessity of urging the bankers to use their influence to eradicate Bolshevik tendencies.

John S. Drum, Second Vice-President of the Association made a brief address in which he praised the Section for its work in the general Association. He advocated a cohesive and unified banking system in order that the country may absorb the foreign credits which will have to be handled.

Colonel Farnsworth was at the meeting and stated that it would be the last time he would appear before the Secretaries Section as General Secretary of the American Bankers Association in view of his acceptance of a connection with the Bankers Statistics Corporation of New York. The meeting extended a rising vote of thanks to Colonel Farnsworth expressing appreciation of his courtesy to the section and its members, and wishing him success in his new undertaking.

A resolution was passed endorsing the plan for National Thrift Week set for January 17, 1920.

The following officers were elected: President, Robert E. Wait, Arkansas; first vice-president, D. S. Kloss, Pennsylvania; second vice-president, Andrew Smith, Indiana; secretary and treasurer, M. A. Graettinger, Illinois. Board of Control: Robert E. Wait, D. S. Kloss, E. P. Gum, Oklahoma, W. C. Macfadden, North Dakota, and E. A. Havens, Rhode Island.

The generally expressed opinion was that the Section should hold only a one-day session at future conventions.

Annual Address of the President

ROBERT F. MADDOX

To the Members of the American Bankers Association and Guests.

At the time of our last Convention just a year ago, our country was engaged in a great conflict and we were doing everything in our power to win the great war. Our farms, our factories and our mines were being worked with patriotic energy to furnish our army and the armies of our allies with the necessary supplies.

Our people had cheerfully purchased more than ten billion dollars of Liberty bonds and were preparing to take another issue of six billion, feeling confident that they would be promptly subscribed. We were rationing our food, that others might be fed, and our men and women in all walks of life were making every sacrifice to bring the war to a quick and successful conclusion.

We had mobilized four million men in our army and had sent half of this number across the sea, trained and equipped for battle and ready to make the supreme sacrifice if necessary, to stop the onward march of the armies of the Teutonic Powers, which threatened to conquer the world. We had heard of the glorious victory our soldiers had achieved at Chateau-Thierry and at St. Mihiel and were anxiously awaiting the result of the battle of the Argonne, which had just begun.

In less than two months after our last Convention had adjourned the weight of the armies of the United States, backed by the loyalty of our people, and the great resources of our country, had brought victory to the Allies. Justice prevailed, Germany, Austria and Turkey were hopelessly defeated, autocracy fell, and human liberty was saved to the world.

AMERICA IN THE WAR

The accomplishments of our country while engaged in this great war reflect credit upon all our people and add glory to the splendid traditions of our past. We are grateful to the men and women who served at home and we will long remember the courage and patriotism of our soldier boys who went into the battle lines in France and brought our flag victoriously back home with the Stars and Stripes shining with new brilliancy—honored and respected as never before throughout the world.

To those brave American boys who fell in battle and now sleep beneath the sod in France, many of whom went from our banking institutions, we owe a debt which can only be paid by forever cherishing their memory and carrying on the spirit of Liberty and Justice for which they so nobly gave their lives.

In all of the war activities the members of the American Bankers Association have done well their part. From the floor of our last Convention, in response to a telegram from President Wilson expressing his appreciation—"At the splendid spirit and efficiency with which the bankers of the country were assisting the Government in the all-important matters

of the loans"—you remember we wired him that—"Every ounce of energy and every resource at the command of the bankers of the nation are pledged to the cause of human freedom and independence."

How well the bankers kept that pledge is known to all men, and now that the war is over the members of the American Bankers Association can with satisfaction share with their fellow citizens the joys of victory and with renewed energy co-operate with them in courageously meeting the problems of peace.

WAR FINANCES

In meeting the uncertain war conditions and the sudden expansion of business during the past few years, the Federal reserve banks have proved a splendid and even a surprising success, for they have demonstrated that our present banking system is the superior of any in the world.

We shudder to think what might have happened if we had entered the war under the old régime of banking and are grateful to those who devised and co-operated in passing the measure and are under many obligations to the members of the Federal Reserve Board and the officers of the Federal reserve banks, who have so wisely directed their operations.

The statement of the Federal reserve banks on September 5 showed that out of 2,200 millions of bills receivable, 1,635 million were secured by government war obligations, thus demonstrating their great value to the government in assisting the member banks to carry loans secured by war obligations, without retarding their commercial transactions.

It is expected that in a reasonable time, these loans now carried by the banks of the country for their customers who subscribed for war obligations, will be paid, but considering the fact that out of government obligations now outstanding of approximately twenty-five billion dollars, the comparatively small amount of notes discounted by the Federal reserve banks, secured by these obligations, is very gratifying.

When we consider that the cost of the war to the United States from April 6, 1917, to June 30, 1919, was 30,167 million dollars and that we only issued 21,475 million dollars of bonds to meet this expenditure, relying upon taxes to make up the difference, a large part of which has already been paid; and that we now hold the obligations of our allies for approximately ten billion dollars, which in time will be paid; it would seem that, considering the magnitude of our engagements, the war has been most wisely financed and the burden of future government requirements can be easily borne.

On June 30, 1914, the deposits of all the banks of this country were about twenty-one billion dollars. The deposits of the national banks on June 30, 1919, were approximately sixteen billion dollars and while the deposits of the state banks are not obtainable at this time, estimating their increase in the same proportion as that of the national banks, it is safe to

assume that their deposits are now approximately eighteen billion of dollars, making a total for all banks of thirty-three billion dollars, or an increase for the war period of about twelve billion dollars.

Our circulation has risen from 3,478 millions on September 1, 1914, to 5,743 million on September 1, 1919, or an increase of 2,265 million, more than \$20 per capita.

With bank deposits during the war period increasing 57 per cent., and our circulation increasing 65 per cent., it is not surprising that the Bureau of Labor at Washington has estimated the increased living cost at 70 per cent.

That the peak of high prices has been passed seems to be indicated by Bradstreet and Dun's reports showing that their index number of commodity prices declined from August 1 to September 1.

MEMBERSHIP

Our membership at the close of our fiscal year, September 1, was 20,214, the largest in our history and showing a net gain for the year of 1,171.

In this connection it is interesting to note that in the past five years since the European war began, our membership has increased 5,502. We now have more than five-sevenths of all the banks in the country, and I believe that in a short time practically every bank in the United States will realize the value of membership and will co-operate with us in making our fraternity a still greater factor in the progress and development of our country.

SECTIONS

Our financial affairs are in excellent condition, as will be seen by the Treasurer's report. The work of the various Sections of our Association, including the National Bank, Savings, State Bank, Trust Company, State Secretaries and Clearing House Sections has been especially satisfactory during the past year, as will be seen by the reports of their officers. The State Bank Section, the youngest section, has now the largest membership and is proving of much value to its members.

The American Institute of Banking has enjoyed a splendid year and the work of broadening its influence among the young bank men has been carried forward with great success by its present officers. This department is of great value in educating young bankers for the important work of the future and deserves our cordial and continued support. The *Bulletin* which is published by this section quarterly, is very interesting and is proving to be one of our most important publications.

THE JOURNAL AND BANKER-FARMER

The JOURNAL is now rapidly being developed into what it should be—a magazine of general interest to our members. The past year was the first in which advertising was taken and this has proved to be a proper and valuable aid in reducing the cost of publication. In another year the value of this advertising should be demonstrated to our patrons and a greater income derived from this source. It has been sug-

gested that the JOURNAL, if published weekly or semi-monthly, might prove more interesting and beneficial to our members by giving them banking news and current information more promptly than as, at present, in a monthly publication.

The expense, however, of publishing the JOURNAL more frequently would be very much greater than the present appropriation and it was not thought advisable during this year to make the change, but it is hoped that in the near future our income will warrant its being made.

The *Banker-Farmer*, another publication issued by the Association, has continued to prove a valuable aid in developing the agricultural interests of our country, which are now so closely allied with the growth of the banking business. During the war the *Banker-Farmer* was very active in stimulating the increased production of the farmers, and has received the cordial co-operation and endorsement of the United States Department of Agriculture. Considering the small net cost to the Association, this publication is proving a splendid investment.

The Agricultural Commission, under the able leadership of its Chairman (who at the last meeting of our Association was made a member of our Executive Council) has rendered valuable service during the past year, not only to our Association but to the country at large.

ENLARGED ADMINISTRATIVE COMMITTEE

The wisdom of our last Convention in adding the Presidents of the National, State, Savings Bank and Trust Company Sections to the Administrative Committee and adding the Vice-Presidents of these sections to the Executive Council, has been demonstrated by the fine spirit of harmony which now prevails among all of the sections. All now have direct representation on these important committees; have a more intimate knowledge of the affairs of the Association, and a voice in directing its management.

At one time it was feared that sectional differences might disrupt the Association, but I am glad to say that our members now seem to realize that it is big and broad enough to be helpful to all and harmful to none and the cordial co-operation now existing promises to make our work in the future more beneficial than ever before.

WASHINGTON OFFICE

A few months ago under the direction of the Administrative Committee, the National Bank Section opened a service office in the City of Washington, where it could serve its members in connection with the many transactions they are compelled to have with the Treasury Department, and the office of the Comptroller of the Currency under whose supervision they are being operated. This office has already proved to be of much value to the members of this section.

The Administrative Committee in January was of the opinion that it would be wise to move the entire headquarters of the Association from New York to Washington and recommended this proposition to the Executive Council, which, upon a referendum, voted by a large majority in favor of the move. Upon sub-

sequent consideration of the subject, however, there was some difference of opinion among the members of the Administrative Committee and among the members of the Executive Council, and it was decided to bring the matter to the attention of the General Convention for such action as it might deem best.

LEGAL DEPARTMENT

The work of the Legal Department of our Association, under the able management of General Counsel Paton, has grown very much during the past few years and now, owing to our large membership, the legal opinions requested by our members and the service rendered by the General Counsel have greatly increased.

Judge Paton has been with the Association for many years and during this period has rendered several hundred important decisions on banking questions and it has been decided to publish a Digest of these opinions in book form. This book is now ready for distribution. It should prove a valuable addition to the office of any banker, and I hope our membership may take advantage of the opportunity of securing one.

PROTECTIVE DEPARTMENT

Owing to the general unrest throughout the country and the large number of men out of employment during the past year, incident to labor conditions and the demobilization of our army, the Protective Department has been very busy.

The number of attacks made on banks has been greater than in any year in our history and the amount expended for the protection of our members has likewise been greater. The efforts of our Protective Department in arresting the offenders have, on the whole, been satisfactory, but in many cases the clues were not sufficient to get satisfactory results. Mr. L. W. Gammon, who has so ably managed this department, completed his tenth year of service on August 2.

COMMITTEE ON COMMERCE AND MARINE

You will remember that at the last Convention the President was authorized to appoint a committee on Commerce and Marine to study this important subject and report to the Convention. The committee was appointed and Mr. John McHugh of New York was elected its Chairman. The committee has had several meetings and has given this subject a great deal of attention.

It has been in close touch with the legislation affecting our merchant marine and the development of our foreign commerce, as its report will show, and I hope it will be the pleasure of the Convention to continue this important committee.

FOREIGN TRADE

For many years we have been producing more in this country than we could consume and the war has stimulated the output of our farms, factories and mines, so that we must look, more than ever before, to our exports to keep our people well employed.

The figures of our foreign trade are almost beyond comprehension. With an annual balance of trade

before the war of 500 million dollars, our balance for the last fiscal year reached 4,200 million dollars and for the five-year period amounted to the stupendous total of 14,434 millions of dollars.

These figures tell the story of the greatest commercial activity in our history, but we must remember that this result has been attained by conditions which we cannot expect and would not wish to have again. That the decline has set in is shown by the fact that our exports have rapidly decreased in July and August.

The difficulty Europe is now having in paying for our products is shown by the recent great decline in her exchanges. With the pound sterling now selling at 14 per cent. discount, the French and Belgium francs at 40 per cent. discount and the lire at 47 per cent. discount, it is very evident that our situation will be serious unless some relief can be found.

We are fortunately able to extend this accommodation, and the only country in the world which can. If we fail to meet this responsibility, as well as this opportunity, we will in a measure lose the great benefit the war has brought to our door.

We know that Europe will require a large amount of our products in the future, but the question now is—How can this trade be financed? As we cannot expect to receive payment in goods or gold, it must be paid in some form of time obligations, either the securities of governments, municipalities, or industrial enterprises—and perhaps all three may be used.

It is thought by some that our government should extend this credit to the governments of our allies, taking short time bonds and issuing short time bonds against them, but the general impression is that there is a strong opposition in Washington to the government issuing any more bonds.

The Platt bill, recently passed by Congress, allowing the national banks to invest 5 per cent. of their capital and surplus in companies engaged in international trade and the pending Edge bill providing for the organization of corporations to engage in foreign banking and financial operation under the supervision of the Federal Reserve Board, are measures designed to facilitate our exports and assist in extending some form of financial assistance. The amounts involved are very large and it remains to be seen whether these measures will meet the situation.

In my opinion the thought of the bankers and the business men can well be turned to this export question, for it is certain that upon the continuance of our foreign trade must rest the future prosperity of our country.

LABOR AND THE WAR

When we remember that in the great conflict through which the world has just passed 50,000,000 men were recently in arms, bent upon death and destruction—that 7,500,000 fell in battle—that the contending countries spent more than \$200,000,000,000 in carrying on the war—that hundreds of millions of men and women were drawn from their normal activities, it should not be surprising that there is a spirit of unrest everywhere, and it will take time for men to recover from their experiences of the recent past

and calmly return to their former quiet and peaceful pursuits.

During this transition we can understand how the great laboring classes, finding their condition but little improved, still paying war prices for their necessities, forgetting that the channels of trade are still blocked by the wreckage of war; are manifesting a spirit of dissatisfaction and are easily led by false friends who point the way to salvation through the easy paths of Socialism and Anarchy. We have witnessed such tendencies spread from Russia to Europe and across the Atlantic to America.

But the civilized world has been five years in suppressing a spirit which failed to consider the rights of others and it will not now tolerate another attempt to terrorize it in submission to a practice that is wrong in principle.

The war just over was settled by the arbitrament of the sword, and the struggle, now on, will, and must be, settled by appealing calmly to the intelligence of the people. It must be made plain to those who are threatening to disregard law, that their future prosperity can only be secured by its observance. It is the duty of those in authority, everywhere, to assure the people that the rights of all will be protected, and while labor has won its way to a higher place in the world than it had before the war, that place cannot be determined by the disregard of law and order.

It is unfortunate, however, that in this country which has suffered so little, where labor as a whole has been well treated, and has been given higher compensation than in any other place in the world, organized labor has demonstrated on many recent occasions its utter disregard for the interests of any other class. But we cannot fail to seriously consider the labor question when we see branches of the union spread to clerks, policemen, firemen, school teachers, and even to actors.

The issues confronting the American people today seem to be whether the government shall be more powerful than the labor unions, whether business enterprises will be completely dominated by the labor unions, or by giving all employees a larger share in the profits and a greater voice in the management of business, the labor unions will be broken up. The difficulty is, at present, that the labor leaders do not seem disposed to accept in lieu of their union control, the profit-sharing plan, but insist upon the closed shop.

I hope, in the near future, the conference called by President Wilson on this subject may in some way solve the problem, and capital and labor—"useless each without the other"—will in a friendly and co-operative way work for the happiness of all and the continued development of our great country.

RAILROADS

We hope Washington will soon act on the Peace Treaty and the League of Nations, as there are many domestic problems which require the attention of Congress. The greatest of these is legislation concerning the railroads. Nothing is more important than the service and development of our transportation systems. They are the arteries through which the life-blood of

the nation flows. They touch the activities of all our people. We know that the railroads have not received fair treatment from the rate-making power and by denying them reasonable returns on their investments, their credit has been largely destroyed. Their physical condition had declined before the government took them over and under government operation it has not been improved and their expenses have increased by leaps and bounds.

Out of the many plans suggested for their future operation it is hoped that Congress, without prejudice or political consideration, may reach a wise conclusion, and these great properties be further developed and able to render better service.

THE BUDGET SYSTEM

There never was a time in our history when it was more necessary that our people should begin to check extravagances and practice thrift and economy, and nothing would be more conducive to such practice than having our government set the example.

It was, of course, necessary for the government to be somewhat wasteful in its expenditures during the war but there are no such reasons at this time. It is earnestly hoped that the budget system of handling the finances of our government will be adopted by this Congress.

Our Executive Council unanimously recommended the adoption of such a system at its last meeting and similar resolutions have been adopted by the leading commercial organizations of the country.

DEATHS OF COL. LOWRY AND MR. LYNCH

During the past year the members of our Association learned with the deepest regret of the death of two of our most beloved and distinguished former presidents—Mr. James K. Lynch, who was elected President of the Association in 1915, died at his home in San Francisco, California, and Col. Robert J. Lowry, who was elected President in 1896, died at his home in Atlanta, Georgia.

These gentlemen served our Association with credit and ability. Their genial presence will be missed at this Convention and their loss is keenly felt, not only by the bankers of America, but by their countless friends in all walks of life.

I wish to take this opportunity to express my sincere appreciation for the courtesies which have been extended to me and the co-operation which has been given my efforts by all of the officers, committees and employees of the Association; particularly the General Secretary, the Assistant Secretary and the secretaries of the various sections; the General Counsel, the editor of the JOURNAL, the manager of the Protective Department and the other members of the staff.

In conclusion let me say, I hope that out of the history of our past and out of our deliberations here all of our members may catch anew the spirit of service and in the years to come the American Bankers Association will continue to grow in usefulness and make its influence felt in every worthy enterprise looking to the happiness of our people and the prosperity of our country.

Annual Report of the General Secretary

FRED. E. FARNSWORTH

NEW YORK, September 15, 1919.

To the American Bankers Association.

Gentlemen: In accordance with the requirements of the constitution, I submit herewith a report of the progress of the American Bankers Association during the fiscal year commencing September 1, 1918, and ending August 31, 1919, together with such other matters as pertain to the office of General Secretary of the Association.

Speaking broadly, the Association is to be congratulated on having enlarged its points of contact with national affairs during the past year, as a result both of committee work and the efforts of its officers. Further, in carrying out a new policy of field work, closer and more cordial relations have been established with state bankers' associations and other organizations; problems involving relations between national and state-chartered institutions have been put in a fair way of amicable adjustment; and last but not least, our membership has passed the 20,000 mark, bringing so much nearer the day when membership in the American Bankers Association will become unanimous throughout these United States.

With the Association, as with the nation and the whole world, we are passing through a period of readjustment and reconstruction in which time and patient, painstaking endeavor are essential to the solution of the problems confronting us.

FIELD WORK

One of the most important accomplishments of the year was the carrying into execution of a plan of field work by utilizing the members of the executive staff in the general offices at New York. This, in turn, required close study by the Office Conference, a semi-monthly gathering which has proved its value many times. Under the direction of the Office Conference, and with the approval of the Administrative Committee, the several section secretaries and department heads were assigned to attend state conventions, the schedule being arranged with a view to securing maximum representation at a minimum of expense. In cases where we were informed that the convention would be attended by the President or Vice-Presidents, no representative was sent from the central office. By this method, and without duplication or undue expense, the American Bankers Association has been represented at the conventions of thirty-five bankers' associations. There is no doubt that the results have been highly beneficial; a direct contact has been established with all these state associations, in numerous cases the membership has been increased through better understanding of the scope of A. B. A. work, and in general it may be said that the plan has justified every expectation and should be continued.

THE STATE BANKS

At the spring meeting of the Executive Council of the Association last May, steps were taken which resulted in the formation of a conference committee on which were representatives of state-chartered institutions, including representation from the Trust Company Section, State Bank Section and Savings Bank Section. Out of this conference and the spirit of co-operation which it typifies has come a better understanding of the needs of the state institutions and all differences, real or imaginary, between them and their national brethren are rapidly disappearing, if, indeed, they have not already done so.

WASHINGTON OFFICE

During the past year the National Bank Section, acting under instructions from its Executive Committee, established a branch office of the section at Washington, D. C. It is located in the Southern Building and is in charge of Major Frederick W. Hyde, secretary of the National Bank Section, who divides his time between the New York and Washington offices. It is a pleasure to say that in the short time since its establishment the Washington office has rendered excellent service, both to members and to officers. The success of this

move has led to a desire for a similar service on the part of the State Bank Section and I understand that steps to this end are now in contemplation.

EXECUTIVE COUNCIL

The spring meeting of the Executive Council was held at White Sulphur Springs, West Virginia, May 19, 20 and 21 and a comprehensive report of its deliberations was published in the June JOURNAL. The high percentage of attendance and the close attention given to the business of the Association are sufficient evidence of the value and importance of these meetings.

When the new Council meets as constituted at present, for organization after the adjournment of this Convention, it will comprise 36 members in the one-year class, 36 members in the two-year class, 35 members in the three-year class, and 22 ex-officio members, making a total of 129. This is an increase of seven over last year. In Arizona, the membership of the Association was increased to 100, thus entitling that state to an independent representation on the Council, but the election for this additional member cannot be made until the convention of the Arizona Bankers Association to be held November 3-4. In Nebraska, the membership was increased to allow for an additional representation on the Executive Council, but the election for this extra member cannot be made until the next convention of the Nebraska Bankers Association. In Oklahoma, the membership was increased to allow for an additional representation on the Council, but the election for the extra member cannot be made until the next convention of the Oklahoma Bankers Association to be held in May, 1920. When these three elections have been made, the grand total of membership on the Executive Council will be 132. The other seven states that increased their membership to allow for an additional member on the Executive Council are: California, Colorado, Indiana, Iowa, Kansas, Minnesota and Pennsylvania.

Analyzing the increase in membership by states, we find that Pennsylvania comes first with 101 new members, a total of 1,112; Oklahoma is second with 99 new members, a total of 713; Iowa stands third with 97 new members, a total of 1,100; Missouri is fourth with 67 new members, a total of 813; Texas is fifth with 61 new members, a total of 789; Minnesota is sixth with 56 new members, a total of 731; Nebraska is seventh with 54 new members, a total of 712; then comes South Dakota with 43, a total of 462; Kansas and New York with 39 each, a total of 908 and 1,139 respectively; North Carolina with 37, a total of 338; Illinois with 31, a total of 1,176; and Montana with 30, a total of 381.

As last year, Illinois stands first in the membership of the Association with 1,176; New York is second with 1,139; Pennsylvania is third with 1,112; Iowa is fourth with 1,100; Kansas is fifth with 908; Missouri is sixth with 813; Ohio is seventh with 793; then follows Texas with 789; Minnesota with 731; Oklahoma with 713; Nebraska with 712; and California with 707.

Alaska and the District of Columbia enjoy the distinction of having every bank a member of the Association; Nevada has only two non-members; Arizona and Rhode Island three non-members each; Delaware 6 and New Mexico 8.

The increase in Association membership through the efforts of the various Sections and officials of the Association by applications known to have been received through their labors for the fiscal year ending August 31, 1919 (14 new members and over), is as follows:

Sections of the Association (of which the National Bank Section secured the largest number) 102.

L. A. Andrew, State Vice-President for Iowa, with the assistance of the A. B. A. Membership Committee in his state, of which he is Chairman; also the County Chairmen	80
Harry J. Haas, vice-president First National Bank, Philadelphia, with the aid of Messrs. F. F. Brooks, B. M. Marlin, A. C. Robinson and Jos. Wayne, Jr.	64

E. P. Gum, secretary Oklahoma Bankers Association....	32
H. A. McCauley, State Vice-President for Oklahoma and Chairman of the Membership Committee for Oklahoma	23
M. Plin Beebe, State Vice-President Elect for South Dakota	17
Cliff W. Gress, member Executive Council for Minnesota	14
Jas. A. Gray, vice-president Wachovia Bank & Trust Co., Winston-Salem, N. C.	14

The known credit for the greatest individual accomplishment in the membership campaign for the year belongs to Mr. H. J. Haas, vice-president First National Bank, Philadelphia, who secured 48 applications.

SECTIONS

The year just closed marks the first in which the sections have been represented on the Administrative Committee of the Association. The results secured certainly justify the action of the convention last year in adopting the amendment which made this innovation possible, for never before has there been such team work, harmony and co-operation among the sections. And in this connection I believe it is appropriate at this time, at the close of my twelfth year of service to the Association, to pay a well-deserved tribute to the work of the Administrative Committee, upon which have been thrown for solution by the Council as well as the Convention, many thorn-covered problems, most of which involved possibilities of all kinds of trouble. There are more men now on the Administrative Committee than at any time since its creation, but through its very nature this committee is bound to have thrust upon it many onerous duties which are not always understood. I bespeak for this committee, therefore, the appreciation which it so richly merits at the hands of this convention.

Inasmuch as the several sections will present full and detailed reports to you through their accredited officers, it is not necessary for me to enlarge on their work. All have given this year an unusually high degree of service to their respective members. Through the resignation last winter of Jerome Thralls, secretary of the Clearing House and National Bank Sections, the secretarial work of those two sections was separated. Major Frederick W. Hyde, of Jamestown, N. Y., was made secretary of the National Bank Section, and Amos F. Hill, of Lowell, Mass., was made secretary of the Clearing House Section. Both of those gentlemen have acquitted themselves excellently in their respective stations. On September 1, this year, there became effective also the resignation of Milton W. Harrison, secretary of the Savings Bank Section. His successor is Leo Day Woodworth, whose qualifications promise that he will measure up to his new post in every way.

STATE SECRETARIES

The secretaries of the state bankers' associations, of which there are now fifty—one for every state and the District of Columbia and Alaska—have been of constant help in certain branches of association work in which their co-operation is practically indispensable. The General Secretary has made it a point to keep in touch with these organizations and at every opportunity to maintain the cordial relations that now exist between the American Bankers Association and the state associations.

LEGAL DEPARTMENT

During the past year, in spite of arduous legislative work, General Counsel Paton has been able to complete and bring out in book form a digest of legal opinions published by him in the JOURNAL of the Association during the past eleven years. From the demand for copies of this book it is evident that the members are highly appreciative of the excellent quality of the work which Judge Paton renders.

PROTECTIVE WORK

The work of the Protective Department has been unusually heavy in recent months because of the widespread epidemic of burglaries and hold-ups. The Department has acquitted itself well in the face of this additional responsibility and will inform you more fully of its work in its printed report.

THE LIBRARY

The Library of the Association, during the past year, has made a distinct place for itself along the line of Association service. Its best known phase, perhaps, is that which appears in the monthly JOURNAL under the title "Library Limelight," and which has to do with furnishing books, pamphlets and miscellaneous information to inquiring members.

COMMITTEES AND COMMISSIONS

This has been a busy year for all committees. The Agricultural Commission has continued its splendid efforts in behalf of banker-farmer work and is performing a task of vital service to the nation. The Insurance Committee continues to look after the interests of the members in a most important branch of their business and has done well in this field. The newly appointed Committee on Commerce and Marine has taken hold of the stupendous problems of foreign trade and commerce in a manner that promises results commensurate with the high ability of the gentlemen who compose the committee. The legislative committees, Federal and state, and the legislative councils, have been fully occupied in safeguarding the interests of the banks during the progress of far-reaching legislation. Throughout all the committee work there has been in evidence this year a spirit of energy and co-operation that augurs well for the continued progress of the Association.

FINANCES

Perhaps of all difficult tasks, the most onerous has fallen to the lot of the Finance Committee. Confronted with the necessity for finding additional revenue for the Association to enable it to meet the increased expenses due to natural growth as well as the generally higher cost of living, the Finance Committee at the spring meeting of the Executive Council devoted a great many hours to studying the Association's needs and finally decided to recommend an increased schedule of dues for all members paying more than ten dollars per annum. The proposed new schedule has been presented to you in printed form so that it may be carefully studied; and when you come to act upon this particular recommendation it is the earnest hope of the Finance Committee that you will bear in mind that the necessity for these increases was arrived at by the gentlemen of the committee only after the most serious consideration, and that their recommendations merit your approval.

The report of the Treasurer shows a cash balance for the year of \$1,131.81 as compared with \$6,449.22 at the close of the fiscal year 1918.

THE JOURNAL

The JOURNAL has cost the Association during the past year about \$19,000 as compared with \$35,000 the year before. In view of the high cost of printing, paper and all other items this is a marvellously fine showing and is, of course, due to the revenue from advertising, which for this first full year of advertising patronage amounts to \$17,500. Under the guidance of the JOURNAL Committee which was appointed at the last Council meeting to supervise articles and advertisements, the JOURNAL is now progressing satisfactorily and has passed out of the realm of controversy and criticism. Instead of complaints, we now receive commendation for various useful features in the JOURNAL and for the generally conservative character of its policy. This happy condition is due in no small measure to the patient effort and tactful management of the present editor.

It is worth noting that the cost of the JOURNAL to the Association for the past year, \$19,000, represents less than one dollar per member. In my opinion, the only thing required of us now is to develop and safeguard the JOURNAL as one of the most valuable commercial assets of the Association.

MEMBERSHIP

August 31, 1918.....19,043

*Erased from the rolls through failure, liquidation, consolidation and withdrawal, December 1, 1918.....1,105

Membership17,938

August 31, 1919, new members gained during the year.....	1,464	
*Regained members (secured from the above)	812	2,276
August 31, 1919, membership.....	20,214	
A net increase for the fiscal year.....	1,171	
A net loss for the year in failures, consolidation, etc.....	128	
A net loss for the year in delinquents....	165	293.
Making the actual gain in new members.....	1,464	

I wish to call your attention particularly to the figures just given, relating to the list of delinquents—those who refused to pay their dues for the last fiscal year. There were 165. These figures are related to the membership on August 31, 1918, of 19,043. It will be noted that the proportion of delinquents, as compared to the membership, is very small, which is the best evidence of the appreciation of our members in maintaining membership in this organization.

While the membership in the Association is larger than ever before, the usual list of losses in membership by failures, consolidations and liquidations is small for the past fiscal year 1918-1919; this list being 128. While the number in was 132 and for 1916-1917, 137. The total net losses, as shown in this report, are 293.

The aggregate resources of our membership are estimated at \$27,000,000.00.

The membership and resources of the Association have increased as follows:

	Paid Membership	Annual Dues
September 1, 1875.....	1,600	\$11,606.00
September 1, 1885.....	1,395	10,940.00
September 1, 1895.....	1,570	12,975.00
August 31, 1905.....	7,677	127,750.00
August 31, 1906.....	8,383	137,600.00
August 31, 1907.....	9,251	150,795.00
August 31, 1908.....	9,803	162,507.00
August 31, 1909.....	10,682	175,352.00
August 31, 1910.....	11,405	188,934.00
August 31, 1911.....	12,072	198,530.00
August 31, 1912.....	13,323	213,752.50
August 31, 1913.....	14,100	229,324.48
August 31, 1914.....	14,720	233,915.00
August 31, 1915.....	15,010	245,651.00
August 14, 1916.....	16,016	264,529.17
August 31, 1917.....	17,328	302,705.00
August 31, 1918.....	19,043	320,840.00
August 31, 1919.....	20,214 (Estimated)	409,380.00

INCOME

Interest on bonds.....	\$3,680.00
Interest on bank balances (estimated).....	3,000.00
Estimated annual dues for fiscal year ending August 31, 1920.....	409,380.00
	\$416,060.00

MEMBERSHIP BY YEARS

YEAR	MEMBERSHIP	Gross Loss by Failures, Merger, Delinquents, etc.	Net Loss by Failures, Merger, Delinquents, etc.	Gross Gain	Net Gain
1897	2,813	371	...	982	611
1898	3,424	248	...	783	535
1899	3,915	211	...	741	530
1900	4,500	234	...	819	585
1901	5,504	200	...	1,313	1,113
1902	6,354	186	...	1,159	973
1903	7,065	313	...	1,139	826
1904	7,563	500	...	1,120	620
1905	7,677	1,038	...	1,152	114
1906	8,383	337	...	1,043	706
1907	9,251	434	...	1,302	868
1908	9,803	691	...	1,243	552
1909	10,682	760	374	1,639	879
1910	11,405	781	298	1,504	723

YEAR	MEMBERSHIP	Gross Loss by Failures, Merger, Delinquents, etc.	Net Loss by Failures, Merger, Delinquents, etc.	Gross Gain	Net Gain
1911	12,072	1,304	405	1,971	667
1912	13,323	790	330	2,041	1,251
1913	14,100	744	359	1,521	777
1914	14,720	894	384	1,514	620
1915	15,010	924	434	1,214	290
1916	16,016	883	416	1,889	1,006
1917	17,328	876	308	2,188	1,312
1918	19,043	1,023	276	2,738	1,715
1919	20,214	1,105	293	2,276	1,171

MEMBERSHIP OF STATES AND TERRITORIES

HAVING LESS THAN 100 MEMBERS

(AS OF AUGUST 31, 1919)

Delaware	52	Canada	63
Nevada	33	China	1
New Hampshire.....	74	Costa Rica.....	1
Rhode Island.....	51	Cuba	23
Vermont	82	Isle of Pines.....	1
Alaska	19	Mexico	21
Canal Zone.....	1	Panama	2
Hawaii	20	Santo Domingo.....	5
Philippine Islands....	4	Venezuela	4
Porto Rico.....	18		
Bolivia	3	Total.....	478

MEMBERSHIP

DIVISION OF BANKS IN ASSOCIATION, AUGUST 31, 1919

State or Territory	Nat'l	State	Private	Trust Co.'s	Sav. Banks	State Sec'y	A. I. B. Chaps.	Total
Alabama	66	87	3	26	7	1	1	191
Arizona	16	61	0	21	1	1	0	100
Arkansas	66	207	2	33	1	1	1	311
California	231	330	5	42	94	1	4	707
Colorado	117	152	7	15	11	1	1	304
Connecticut	68	9	8	48	61	1	2	197
Delaware	24	6	1	18	2	1	0	52
Dist. of Columbia	14	4	3	2	28	1	1	53
Florida	52	136	4	14	4	1	0	211
Georgia	89	271	6	20	17	1	1	405
Idaho	58	117	5	10	3	1	0	194
Illinois	377	439	212	103	43	1	1	1,176
Indiana	172	203	42	81	4	1	0	503
Iowa	280	297	53	54	415	1	0	1,100
Kansas	215	676	2	6	8	1	0	908
Kentucky	86	111	1	27	7	1	0	233
Louisiana	37	144	1	33	7	1	1	224
Maine	59	0	0	44	23	1	0	127
Maryland	89	56	23	19	32	1	1	221
Massachusetts.....	170	9	24	78	131	1	1	414
Michigan	96	218	44	11	190	1	1	561
Minnesota	221	487	7	7	6	1	2	731
Mississippi	33	166	1	18	5	1	0	224
Missouri	121	571	19	64	35	1	2	813
Montana	109	239	18	13	0	1	1	381
Nebraska	196	496	5	10	4	1	0	712
Nevada	10	20	0	2	0	1	0	33
New Hampshire.....	48	1	0	7	17	1	0	74
New Jersey.....	188	29	3	108	19	1	0	348
New Mexico.....	43	52	2	11	4	1	0	113
New York.....	458	306	139	127	101	1	7	1,139
North Carolina.....	73	198	1	56	9	1	0	338
North Dakota.....	133	278	0	5	4	1	0	421
Ohio	292	219	62	71	145	1	3	793
Oklahoma	285	412	0	14	1	1	0	713
Oregon	79	121	11	11	6	1	1	230
Pennsylvania	640	141	66	228	32	1	4	1,112
Rhode Island.....	18	1	1	20	9	1	1	51
South Carolina.....	46	155	0	12	20	1	1	235
South Dakota.....	112	321	3	8	17	1	0	462
Tennessee	90	149	2	71	9	1	1	323
Texas	393	294	30	67	2	1	2	789
Vermont	41	0	0	26	14	1	0	82
Utah	27	67	4	7	11	1	1	118

State or Territory	Nat'l	State	Pri- vate	Trust Op.'s	Sav. Banks	State Sec'y	A. I. B. Chaps.	Total
Virginia	118	161	12	19	13	1	1	325
Washington ...	73	239	16	19	10	1	2	360
West Virginia ..	97	132	2	20	4	1	1	257
Wisconsin	133	352	3	12	24	1	1	526
Wyoming	36	87	2	7	0	1	0	133
Alaska	3	15	1	0	0	0	0	19
Canal Zone.....	0	1	0	0	0	0	0	1
Hawaii	3	9	2	6	0	0	0	20
Philippine Islands	1	3	0	0	0	0	0	4
Porto Rico.....	1	15	2	0	0	0	0	18
Bolivia	0	0	3	0	0	0	0	3
Canada	0	61	0	2	0	0	0	63
China	0	1	0	0	0	0	0	1
Costa Rica.....	0	1	0	0	0	0	0	1
Cuba	1	19	2	1	0	0	0	23
Isle of Pines....	1	0	0	0	0	0	0	1
Mexico	0	6	14	1	0	0	0	21
Panama	1	1	0	0	0	0	0	2
Santo Domingo..	5	0	0	0	0	0	0	5
Venezuela	0	4	0	0	0	0	0	4
	6,511	9,363	879	1,755	1,610	49	47	20,214

ROUTINE WORK

During the fiscal year just ended we sent out from General Offices more than 625,000 letters, circular letters, proceedings, journals, etc. The following statement shows the volume of mail and express matter in detail:

FIRST-CLASS MAIL MATTER

Letters	15,416
Circular letters, etc.....	75,678
First-class mail matter other than letters, such as typewritten lists, etc.....	2,811
	93,905

SECOND, THIRD AND FOURTH-CLASS MAIL MATTER

Journals	264,261
Codes	1,523
Signs	1,623
List of members.....	21,183
Packages	1,595
	290,185

Total A. B. A. mail matter..... 384,090

SECTIONS AND DEPARTMENTS

Total first-class mail matter.....	64,835
Total second, third and fourth-class mail matter.....	169,433
	234,268
Total mail matter.....	618,358
Express packages.....	6,913
Grand total.....	625,271

The following states were visited by the officers of the Association, and embodies the state convention sessions of 1919:

STATE CONVENTION SCHEDULE

State	Name of Person Attending
Alabama	President Maddox
Arkansas	F. W. Hyde
California	L. A. Mershon
Connecticut	General Secretary Farnsworth A. F. Hill
Delaware	George E. Allen
District of Columbia.....	George E. Allen
Florida	General Secretary Farnsworth
Georgia	President Maddox
Idaho	L. A. Mershon
Illinois	President Maddox
Iowa	L. A. Mershon

State	Name of Person Attending
Kansas	First Vice-President Hawes
Maryland	M. W. Harrison
Massachusetts	General Secretary Farnsworth A. F. Hill
Michigan	A. F. Hill
Minnesota	F. W. Hyde
Mississippi	F. W. Hyde
Missouri	First Vice-President Hawes
Nebraska	First Vice-President Hawes
New Hampshire.....	W. G. Fitzwilson
New Jersey.....	M. W. Harrison
New York.....	F. W. Hyde General Secretary Farnsworth A. F. Hill
North Carolina.....	F. W. Hyde
Ohio	F. W. Hyde
Oklahoma	First Vice-President Hawes
Oregon	L. A. Mershon
Pennsylvania	W. G. Fitzwilson
Rhode Island.....	General Secretary Farnsworth A. F. Hill
South Carolina.....	W. G. Fitzwilson
Texas	First Vice-President Hawes
Vermont	M. W. Harrison
Virginia	M. W. Harrison
West Virginia.....	F. W. Hyde
Wisconsin	T. B. Paton
New England States Bank- ers Association.....	{ General Secretary Farnsworth A. F. Hill

The total number of representatives attending thirty-four state conventions is as follows:

President Maddox.....	3
Vice-President Hawes.....	5
General Secretary Farnsworth.....	6
General Counsel Paton.....	1
Assistant Secretary Fitzwilson.....	3
Secretary Mershon, Trust Company Section.....	4
Secretary Harrison, Savings Bank Section.....	4
Secretary Hyde, National Bank Section.....	7
Secretary Hill, Clearing House Section.....	6
Secretary Allen, State Bank Section.....	2
Total representation.....	41

IN MEMORIAM

It is my sad duty to announce that death has taken more than his usual toll from our ranks. Two former presidents of the Association—Robert J. Lowry of Georgia and James K. Lynch of California—have been called to the Great Beyond. From the active membership of the Council we have lost only recently Elbert A. Bennett, of New York. In the list are included also: Nelson N. Lampert of Illinois, J. E. Fox of Tennessee, Albert E. Edwards of California, Walker Broach of Louisiana and Charles E. Hoge of Kentucky, all former members of the Council; and Douglas H. Thomas of Maryland, who was first vice-president of the Association in 1894 and served on the Council 1895-96.

ST. LOUIS

Since the organization of the American Bankers Association at Saratoga Springs, N. Y., in 1875, including the present convention, we have held three of our annual meetings in the city of St. Louis—in 1896, 1906 and 1919.

The bankers of the city of St. Louis have been active and efficient participants in the activities of the American Bankers Association for very many years. The sixth President of the American Bankers Association was Charles Parsons, president State Bank of St. Louis, in 1888. Walker Hill was President in 1899. F. O. Watts—now a resident of St. Louis, Mo.—was President in 1910, and the late Charles H. Huttig was President in 1912. At the writing of this report, the present First Vice-President of the Association is Mr. Richard S. Hawes, of St. Louis.

When the Association was organized in Saratoga Springs in 1875, St. Louis and Missouri were well represented by delegates. St. Louis and Missouri have been most important

factors in the history of the American Bankers Association. Its unparalleled success from its very inception has been largely influenced through officers of the Association and the members of the executive body in this city. For it was in the city of St. Louis that the plan germinated.

Our conventions today are largely attended by the fair sex—our wives, daughters and sweethearts—and it will be gratifying for the women to know that women are responsible for the organization of the American Bankers Association. The idea was inspired by the women. In May, 1875, two tired bankers, after a long day's work, and in a period, as the elder bankers will know, when the bankers and financiers of the country were wrestling with the silver question and the panic of '73, and the resumption of specie payment—these two bankers, Mr. James F. Howenstein, then cashier of the Valley National Bank of this city, and Mr. E. C. Breck, cashier of the Commercial National Bank, were going up Olive Street and passed the old auditorium—which, I believe, faced on Olive Street in 1875. As they neared that institution they found a large number of ladies in the auditorium. They saw a sign over the door, and it said, "Women's Suffrage Convention." Howenstein said to Mr. Breck, "Breck, if the women can get together and talk over their sorrows and their troubles and what they are entitled to in this country, why is it that the bankers cannot get together at such times as these and by co-operation and organization accomplish what we desire at the present time, the overcoming of the panic and the resumption of specie payment?" Now, the idea of the American Bankers Association came from this incident, and Mr. Howenstein at first, no doubt, was inspired by the ladies. Mr. Howenstein called a meeting of bankers in New York in May, 1875, which meeting was held at the Barnum Hotel. It was simply a conference of some of the prominent bankers, and at that meeting in New York in 1875, a call went out for a convention, which was held in Saratoga in July, 1875, at which there were present 330 bankers, representing thirty-two states. A temporary organization was effected at that time; a committee appointed and a permanent organization effected in 1876 at the Centennial in Philadelphia.

Mr. James T. Howenstein was the first Secretary of the organization.

At the convention in 1896, our popular friend, the late Colonel Lowry, was elected President. The presiding officer at this convention was President Eugene H. Pullen and New York City. Members of the Executive Council from St. Louis were Walker Hill and W. H. Thomson. Breckinridge Jones was State Vice-President, and it was at this convention that the American Bankers Association made its famous declaration as to the gold standard. At the close of the convention on September 25 the Association, as a body, visited Springfield, Ill., and the tomb of Lincoln. Several addresses were made by prominent members of the Association, in keeping with the occasion.

Another prominent feature of this convention was the organization of the pioneer of sections—the Trust Company Section—with Breckinridge Jones of St. Louis as the first chairman of its Executive Committee.

At the convention in 1906, the President was John L. Hamilton, and St. Louis was represented on the Council by Walker Hill and H. P. Hilliard. Vice-President from Missouri was F. W. Hixson, of Hannibal, Mo. The most notable and far-reaching action taken at this convention was the appointment of our Currency Commission, which Commission did so much important work in laying the foundation for advanced banking and currency legislation, which resulted in the evolving of the Federal Reserve Act.

St. Louis is naturally a Convention City. Its well-known hospitality is emphasized by the spirit in which the bankers of the community fully co-operate in every way possible to make a convention a success. This co-operation has been very helpful to me in completing the intricate details of convention week, and I want to take this occasion to express my great appreciation of the efforts of the local committees of St. Louis, and for their valuable aid in making the convention of 1919 one long to be remembered.

In conclusion, I wish to extend my sincere thanks to all officers, committee members and individual members, who by their earnest efforts and whole-hearted co-operation have helped to make this a most successful year in the Association's history.

Respectfully submitted,

FRED. E. FARNSWORTH,
General Secretary.

Annual Report of the Treasurer

JAMES D. HOGE

On September 1, 1918, the cash balance was \$6,449.22. On September 1, 1919, the cash in my hands as Treasurer at the close of the fiscal year was \$1,131.81, with all bills paid. In addition, there was a cash balance in the JOURNAL account of \$524, and a cash balance in the prepaid dues account for 1919-1920 of \$2,704.29—total cash on hand from all sources, \$4,360.10. It has been deemed advisable this year, acting under authority of the Executive Council, to sell securities owned by the Association for the purpose of liquidating the indebtedness incurred in the First Liberty Loan Campaign and the purchase of the Del Mar Library. The securities sold were the New York City Corporation 3½'s, costing \$25,506.67, for which we received \$25,752.50. There is a deficit on the actual year's business amounting to \$11,315.82.

Drafts to the number of 19,387 were drawn September 1, calling for the payment of \$398,625. This is based on the new schedule of dues, and represents an increase of \$101,585 over last year and an increase of 1,388 in number of drafts.

Again I wish to express my thanks for the honor conferred upon me in electing me to this office. It has been a great pleasure to work with the General Secretary and his competent staff of assistants in the General offices. I have found them

ready to respond to any call and always attentive to the business of the Association.

The list of securities held by the Association follows:

	Par Value	Carried On Books At	Market Value	Cost
Chicago, Burlington and Quincy, Ill. Division, 4's due 1949.....	\$50,000.00	\$47,400.00	\$40,250.00	\$50,843.75
Chicago, Burlington and Quincy, Joint 4's due 1921	12,000.00	11,600.00	11,400.00	11,559.09
Atchison, Topeka and Santa Fe, General Mortgage 4's due 1995	30,000.00	23,500.00	23,287.50	30,825.00
	\$92,000.00	\$87,500.00	\$74,937.50	\$93,227.84

Respectfully submitted,

JAMES D. HOGE,
Treasurer.

Treasurer's Financial Report

FOR FISCAL YEAR ENDING AUGUST 31, 1919

RECEIPTS

Cash balance August 31, 1918.....	\$6,449.22
American Institute of Banking Section.....	460.00
American Institute of Banking Section, Special Account.....	2,000.00
Agricultural Commission.....	7,239.84
Bills Payable.....	8,000.00
Codes, Telegraphic Cipher.....	86.00
Clearing House Section.....	374.01
Convention Expenses.....	70.84
Dues (1913-1914).....	.66
Dues (1917-1918).....	10.00
Current Dues (1918-1919).....	303,255.00
Dues, prepaid (1919-1920).....	7,772.50
Committee on Commerce and Marine.....	4.78
Digest of Legal Opinions.....	2,988.25
Executive Council.....	42.49
Furniture and Fixtures.....	57.50
General Proceedings.....	46.70
Investments.....	25,752.50
Interest on Bank Balances.....	2,352.85
Interest on Stock and Bonds.....	4,673.25
Journal of the American Bankers Association.....	18,415.81
Legal Department.....	14.00
Library.....	363.25
Office Fund.....	2,000.00
Postage, Stationery and Printing.....	5.42
Rent.....	40.00
Savings Bank Section.....	256.09
State Bank Section.....	46.25
Signs and Inserts.....	3.50
Trust Company Section.....	192.48
Traveling Expenses.....	88.56
War Savings Stamps.....	132.40
Due American Exchange National, New York, N. Y.....	983.88

\$394,178.03

September 1, 1919; Cash Balance..... \$1,131.81

NOTE: The net amount received for account of prepaid dues (1919-1920) is..... \$7,755.00
 Less the amount of bills paid for 1919-1920..... 5,050.71

American Exchange National Bank, New York, N. Y.. to the credit of James D. Hoge, Treasurer,
 2d account.

NOTE: Digest of Legal Opinions shows the amount of collections made by General Counsel Paton..... \$2,988.25
 The amount of bills paid in connection herewith..... 1,750.49

Leaving a credit balance of \$1,237.67

which is carried over to pay in part for publication.

The \$1,000 appropriated for this purpose at the May meeting was not used.

DISBURSEMENTS

American Institute of Banking Section.....	\$14,773.37
Administrative Committee.....	2,333.57
Agricultural Commission.....	13,739.84
Auditors.....	150.00
Bills Payable.....	25,000.00
Bank Agencies at Cantonments.....	125.67
Codes, Telegraphic Cipher.....	3,176.14
Clearing House Section.....	9,797.90
Convention Expenses.....	5,125.72
Silver service presented to retiring President.....	450.29
Current dues (1918-1919) overpaid and refunded	255.00
Committee of Five.....	1,585.81
Committee on Trade Acceptances.....	606.66
Committee on Co-ordination of Activities.....	186.93
Committee on Federal Legislation.....	2,367.26
Committee on State Legislation.....	650.25
Committee on Commerce and Marine.....	5,348.52
Committee for Conference with Commissioner of Internal Revenue.....	95.28
Department of Public Relations.....	1,160.52
Dues (1919-1920) overpaid.....	17.50
Digest of Legal Opinions.....	1,750.49
Executive Council Meeting.....	14,109.16
Extra Office Help.....	1,286.49
Furniture and Fixtures.....	1,064.58
Federal Reserve Membership Campaign Commit- tee.....	138.17
Membership Chamber of Commerce United States of America.....	700.00
General Proceedings, Publishing and Distributing	11,954.86
Interest, Discount and Exchange.....	153.40
Insurance Referendum Committee.....	438.26
Insurance Committee.....	678.21
Journal of the American Bankers Association.....	37,883.00
Legal Department.....	23,871.75
Library.....	6,179.42
National Bank Section.....	10,796.63
National Economy Exhibit.....	450.75
Protective Committee.....	82,819.21
Postage, Stationery and Printing.....	12,047.95
Premium on Officers' Bonds.....	111.79
Rent, General Offices.....	5,189.31
Savings Bank Section.....	13,546.20
Salaries.....	37,927.89
State Bank Section.....	9,596.01
Securing New Members by Executive Council, Vice-Presidents and State Secretaries.....	1,120.93
State Secretaries Section.....	2,547.47
Signs and Inserts, Membership.....	1,353.32
Trust Company Section.....	15,681.08
Treasurer Collecting Dues 1918-1919.....	673.78
Treasurer Collecting Dues 1919-1920.....	900.63
Traveling Expenses.....	2,978.74
Telephone and Telegrams.....	1,028.75
War Savings Stamps.....	132.40
War Salaries, Boys from Office.....	360.87
Office Fund.....	2,000.00
Sundries, general supplies and repairs, insurance, etc.....	1,924.20
Transfer to James D. Hoge, Treasurer, 2d account amount of prepaid dues less amount of pre- paid bills.....	2,704.29
Balance on deposit in Union National Bank, Seattle, Wash.....	1,131.81
	<u>\$394,178.03</u>

Annual Report of General Counsel

THOMAS B. PATON

A survey of the Convention year discloses that with the increased membership now exceeding 20,000, the detailed work of the office of General Counsel has largely increased and more matters have been handled than in any previous year. The volume of business has necessitated a corresponding increase in the office force, which now consists of three legal assistants and three stenographers. The office has a co-operative relationship in an advisory or executive way with nearly every section and committee of the Association and the general membership has largely availed of its facilities for legal information, advice and opinions.

FEDERAL LEGISLATION

The interests of the Association in connection with the important subjects of legislation before Congress during the past year and now pending which affect banks are in charge of the Committee on Federal Legislation and will be covered in the report of that committee. It is the function of the General Counsel, acting as secretary of the committee, to aid in operating the machinery which makes its legislative work effective. All bills introduced in Congress affecting banks, either favorably or unfavorably, are digested and submitted to the membership of the Federal Legislative Council and Executive Council as well as to the State Vice-Presidents of the Association and of the sections in printed form; referenda are issued to ascertain the policy of the Association upon important bills; hearings before Congressional committees have been attended upon important measures and the views of the Association presented; interviews have been had with particular members of Congress and with members of the Federal Reserve Board and every effort made to assert the policy of the Association in connection with pending legislation.

The Association itself also initiates and urges the passage of certain legislation deemed necessary to the banking interests. This work, of course, is under the supervision and in conjunction with the chairman and members of the Committee on Federal Legislation, who actively participate in the subjects of legislation. During the last few months General Counsel has been materially aided by Assistant Counsel Paton, who has spent considerable time in Washington in connection with the progress of legislative bills and in interviews with members of Congress and members of the Federal Reserve Board in aid of the promotion of certain specific legislation desired by the Association. The propositions urged, among others, are to amend Section 5219 of U. S. Revised Statutes so that taxation by states of national bank shares shall not be at a greater rate than upon other property, whether competitive or not, and permitting a proportionate amount of Liberty Bonds and other exempt securities to be deducted from the taxable value of bank shares; also to amend the Federal Reserve Act and Revised Statutes relative to admission of incorporated savings banks to the Federal reserve system where their capital is insufficient under existing laws and permitting incorporated savings banks when they convert into national banks, to maintain savings departments and discharge the same functions as before the conversion; also other proposed legislation pertaining to classification of time deposits as savings accounts and the reserve against time deposits.

While important subjects of legislation are submitted by referendum to the members of the Federal Legislative Council and Executive Council for determination as to the stand and policy of the Association, General Counsel is becoming more and more convinced of the desirability of having a definite expression of opinion on every bill affecting banks which is introduced in Congress, from every member of the Federal Legislative Council and of the Executive Council. Such information is necessary to enable the Committee on Federal Legislation to exert its best efforts and to obtain the best results. It is contemplated to adopt a method by which, it is hoped, such full expression of opinion will be obtained.

The Association's Committee on Commerce and Marine has been giving considerable attention to the Edge bill for the creation of Federal banks to do foreign business and to the

bills relating to mortgages on ships and the proposed Marine Development Act. General Counsel, as representing the Committee on Federal Legislation, has kept in close touch and conference with Secretary Collins of the Committee on Commerce and Marine in connection with the progress of these bills.

STATE LEGISLATION

The office of General Counsel has been actively engaged under the supervision of the Committee on State Legislation of the Association, in promoting in forty-one states which have held legislative sessions this year, a number of bills recommended by the Association. This work has been prosecuted through the members of the State Legislative Council in each state in conjunction with the Secretaries and Legislative Committees of State Bankers Associations and in co-operation in many states with the heads of State Banking Departments. A comprehensive program of recommended legislation for 1919 was issued last December containing drafts of proposed laws on the subjects recommended with a short statement of the purpose or underlying reason for their enactment and a list of the states in which each draft had not yet been enacted in the recommended or some modified form. Last May there was issued a partial summary of legislation enacted during 1919 based on reports received from members of the State Legislative Council, Bank Commissioners, secretaries of state bankers associations and others. This summary included legislation recommended by the American Bankers Association, other legislation affecting banks and subjects of bills which failed of passage or were still pending at the time the reports were made.

The results accomplished this year have been most gratifying and will be detailed in the report of the Committee on State Legislation. Some fifty enactments of measures recommended by the American Bankers Association have been placed on the statute books of the different states this year and most of these measures are of material advantage to banks in the safe conduct of their business. It is unnecessary in this report to detail or to refer to the salient features of the various bills which have been passed as this would duplicate the report to be made by the Committee on State Legislation. In the prosecution of this work to such successful results there has, of course, been devolved upon the office of General Counsel an enormous mass of correspondence containing advice, suggestions, arguments and explanations in connection with particular bills, many of which have been drafted by the General Counsel to carry out needed reforms in the state laws.

CHECKS OF FIDUCIARIES

Owing to the unsettled condition of the law due to conflicting and uncertain decisions bearing on the responsibility of a bank which receives on deposit or pays the check of an officer of a corporation or other fiduciary drawn to his personal order, which turns out to be unauthorized and a misappropriation, the banks, especially in the large commercial centres, have been desirous of procuring the passage of a law which would relieve them from the impracticable duty of inquiry which might be devolved upon them in such cases. The New York State Bankers Association took the initiative in causing a bill to be introduced in the last session of the New York Legislature containing a proposed amendment to the Negotiable Instruments Act which in substance provided that the making of a check by an official or fiduciary to his personal order and his negotiation or cashing of such check at a bank for his personal credit should not put the bank on inquiry as to the authority of the official or fiduciary nor charge the bank with knowledge of any defect in the check. General Counsel, at the request of the New York State Bankers Association, appeared with others in behalf of that Association before the Judiciary Committee of the New York Assembly in favor of the bill and later appeared before the Governor after the bill had passed both houses.

The bill was opposed by members of the Commissioners on Uniform State Laws on the ground that it was unneces-

sary and would detract from the uniformity of the Negotiable Instruments Act and the Governor was prevailed upon to veto it. Following this, at the spring meeting of the Executive Council held May 19, a resolution was adopted that the General Counsel draft and the Committee on State Legislation recommend for enactment in the various states where needed, an amendment of the Negotiable Instruments Act or other form of statute which would make it reasonably safe for banks to receive on deposit or to pay checks drawn by officials of corporations or other fiduciaries to their personal order; further, that the General Counsel endeavor to procure the recommendation of such legislation by the Commissioners on Uniform State Laws. In pursuance of this resolution General Counsel prepared a tentative draft of statute and appeared before the Commissioners on Uniform State Laws at their annual session in Boston held August of this year. Under the procedure of the Commissioners no subject of proposed legislation can be presented for consideration by that body until it is first presented to and receives the favorable recommendation of a special committee known as the Committee on Plan and Scope. General Counsel presented the proposed draft to that committee with arguments in its favor. It is expected that the same will be favorably considered, in which event the procedure will be to refer the subject to the Committee on Commercial Law of the Commissioners who will investigate and make a report at the next annual session of the Commissioners. It is impossible under the procedure of the Commissioners to newly present a subject of legislation and obtain action thereon at the same annual session. The necessary steps to carry out the full purpose of the resolution will be taken by the General Counsel in due course.

BILLS OF LADING

The Federal Bills of Lading Act was passed by Congress August 29, 1916, after ten years of effort on the part of the American Bankers Association and commercial organizations. Before the passage of the Act, the railroad whose agent issued either fraudulently or as matter of accommodation to a shipper, a bill of lading for which no goods had been received was not responsible to a bank or other purchaser who had advanced value on faith of the recitals in the bill. The Act changed the law and provided this rule of liability; it provided negotiability for bills of lading, punished forgery thereof and in many other ways provided an adequate code of law applicable to modern conditions under which the commerce of the country is moved and marketed through the instrumentality of bills of lading and by means of advances by the banks.

Within the last year Section 41 of the Federal Bills of Lading Act, which provides for the punishment of any person who forges a bill of lading, has been judicially tested and declared constitutional by the Supreme Court of the United States. A shipper in Cincinnati forged certain bills of lading purporting to represent goods received in Indiana for shipment to Cincinnati by the Cincinnati, Hamilton and Dayton Railway Company, and upon these forged bills of lading he procured advances from the bank. When indicted under the Act he demurred on the ground that no crime had been committed because the Federal Bills of Lading Act was unconstitutional and void, especially Section 41, in so far as it attempts to make it a crime and punish a person who forges a bill of lading where no shipment from one state to another is made or intended. It was asserted that the Act could only apply to bills of lading representing actual shipments of merchandise or commerce between the states, and if intended to apply to wholly fictitious shipments it was unconstitutional and void so far as fictitious shipments are concerned, because the power of Congress to legislate upon this subject-matter is based wholly and solely upon the commercial clause of the Constitution, and if there is no commerce there is no jurisdiction. This demurrer was sustained by the District Court of the United States for the Southern District of Ohio, but the Supreme Court of the United States on June 2, 1919, rendered a decision reversing the judgment of the court below and upholding the constitutionality of Section 41 and of the entire Federal Bill of Lading Act.

The American Bankers Association played such a large part in promoting the enactment of this measure that it is peculiarly gratifying to be enabled to record that its constitutionality has been upheld by the highest court in the land.

MISUSE OF NAME "AMERICAN BANKERS ASSOCIATION"

Quite recently a case arose wherein it became necessary

for the American Bankers Association to protect its name against misuse growing out of a statement on the printed letterheads and circulars of a non-member concern in Texas—the Houston Bank and Trust Company, unincorporated, of Channel City, Texas—that it was a member of the American Bankers Association. This unincorporated concern was formerly a member of the Association, but its membership ceased on August 31, 1918.

During the last summer printed circulars and other literature were sent broadcast over the country by the Houston Bank and Trust Company offering for sale certain oil stock and containing the false and misleading statement that it was a member of the American Bankers Association. The general offices were flooded with complaints from members and others by whom such literature was received, criticizing these acts, inquiring whether the Houston concern was a member, and insisting that steps be taken to stop the circularization of claim of membership in the American Bankers Association in connection with such literature. The telegraphic and written demand of the General Secretary of the American Bankers Association that the issue of circulars containing the unauthorized statement of membership in the Association be immediately stopped, being disregarded, the matter was placed in the hands of the General Counsel, who employed attorneys in Houston, Texas, and an injunction was obtained, which was served on the defendant on August 4, restraining the Houston Bank and Trust Company, unincorporated, of Channel City, Texas, its officers, agents, servants and employees, from advertising and circularizing that it was a member of the American Bankers Association. The copy of the injunction order was published in full in the August issue of the JOURNAL of the Association (page 80). Notwithstanding this, for several days thereafter the defendant continued the mailing of the usual circulars and literature for the sale of oil stock, many of such circulars containing the same false statement of membership, although in some of the circulars issued after service of the injunction an attempt was made to obliterate by striking a line through the words "American Bankers Association." Proceedings were promptly instituted to punish the defendants for contempt for this violation of the injunction, and depositions were taken from a number of bankers who had received such circulars issued after service of the injunction. These proceedings are still pending at the date of the writing of this report (September 13). But since the middle of August the mailing of such circulars appears to have ceased.

BURGLARY INSURANCE

Certain technical defects in the bank burglary and robbery policy of the American Bankers Association copyrighted in 1918 have developed and a movement is under way to revise the policy and copyright a new form. Early in September General Counsel, upon request of the Insurance Committee of the Association, attended a meeting of that committee at Atlantic City in conference with some twenty representatives of companies throughout the country which write burglary insurance, known as the Burglary Underwriters' Association. An all-day discussion took place relating to every feature of the policy and there was a mutual interchange of points of view of the respective interests. The work of drafting a new form is now proceeding.

PROTECTIVE WORK

In connection with the work of the Protective Committee in ferreting out criminals who prey upon the general membership, the office of General Counsel is quite continuously employed in matters of consultation and advice as to the interpretation of the criminal laws of the different states, determining the character of particular crimes and the amenability of offenders to punishment. There is close cooperation with Manager Gammon of the Protective Department in this important branch of the work of the Association.

SPECIAL FORM OF TAX RETURN FOR BANKS

At the Spring meeting of the Executive Council, upon recommendation of the Committee on Federal Legislation, the General Counsel was instructed to endeavor to procure from the Commissioner of Internal Revenue the adoption of a special form of income tax blank for the making of returns of banks. This subject has been taken up with officials in the office of the Commissioner of Internal Revenue by Assistant

(Continued on page 220)

Stabilizing the Dollar

A Suggestion for Re-adjusting the Present Economic Situation and Reducing the High Cost of Living by Varying the Weight of the Standard of Value

By Dr. Irving Fisher

(Address delivered before Forty-fifth Annual Convention of American Bankers Association.)

IT is a curious fact that bankers, just because they deal primarily in money, are often less interested in the fluctuations in the purchasing power of money than are ordinary merchants who daily watch the course of prices. Some banks have in past times too often dealt recklessly in their commodity, money, with little realization of the disastrous effects they thus produce on the price level and on business conditions.

But today more than ever before, bankers recognize that they perform a public function. No class of business men has tried more conscientiously during the war to render patriotic service; and few, if any, other classes in civil life have played a more indispensable part in winning the war.

Now that the war is over, the banker sees before him new fields of public usefulness. Besides shouldering a large part of the responsibility for financing the gigantic task of reconstruction throughout the world, he has another great task, namely, to help reconstruct the banking and monetary systems of the world. I wish to speak of one fundamental but neglected part of this great task.

This is the problem of curing the instability of money so signally illustrated during the war. It is coming to be recognized that this problem of unstable money lies at the bottom of the problem of the High Cost of Living.

For many years the Bank of England, by regulating its discount rate and so controlling the volume of credit has, as Lord Cunliffe's committee recently noted, kept the price level of England in tune with the price levels of other countries. The time has now come when the price level of the world itself should be controlled.

The war has thrust this problem upon us. The index number of wholesale prices of our Bureau of Labor Statistics rose 106 per cent. between 1914 before the war and November, 1918, the month of the armistice. In the same time the index number of the London Statist rose 122 per cent.

Retail prices of food rose in the United States in the same period seventy-nine per cent., in England 133 per cent., and in France approximately 140 per cent. It is fair to say that the war doubled prices in the United States and Canada and more than trebled them in western Europe, while in Russia it multiplied them by ten or twenty.

The price level of the United States is now threefold the level of 1896. Expressing the same fact in

terms of the purchasing power of money, our dollar of today is worth only about thirty-five cents of the money of 1896. In modern slang, we may say almost literally that, as compared with the biggest dollar we ever had, our present dollar "looks like thirty cents."

We cannot get far in explaining this great rise in the price level and fall in the purchasing power of the dollar if we seek the explanation in the directions where it is usually sought.

Profiteering is an effect rather than a cause of rising prices, while scarcity of goods cannot in this country be alleged as an important factor.

For solving the riddle, we must look at the other side of the price equation—the money side. There is much significant evidence to point in that direction. We find that the great price movements correspond to monetary standards. Thus prices in all gold standard countries move alike and prices in all silver standard countries move alike, while there is a great contrast between the gold and silver countries in their price movements.

Again we find that the ups and downs of prices correspond roughly to the ups and downs of the money supply. In August, 1915, the gold supply of our country began to increase rapidly, on account of the importation of bullion in payment for war supplies. One month later prices began to shoot upward. In February, 1916, money suddenly and temporarily stopped increasing, and there followed a corresponding jog in the course of prices. Following our entry into the war, the credit structure based on this gold also increased far faster than the customary rate, and faster than would have been necessary for normal business.

War finance is a prolific source of monetary and credit expansion. The war has exemplified this in many forms. Russia indulged in the simple crass inflation of paying government bills by printing irredeemable paper. Before the Bolshevik régime the Russian Government printing presses turned out, according to reports, a million rubles an hour, day in and day out for over a year at a stretch. Under Bolshevism the output has been even greater, a total of eighty billion dollars in nominal value having been issued, which is more than the money of all the rest of the world put together.

Germany allowed the people, when a new loan was asked, to deposit the bonds of the previous loans at certain banks which were authorized to issue paper

money to the depositor who then lent this paper money to the government. In the United States, Liberty Bonds were likewise used as collateral at banks which, in turn, deposited them with Federal Reserve Banks and received their notes.

War finance also brought us still another kind of inflation, the most modern and approved, due not to the increase of money proper but to the increased volume of bank deposits subject to check. Banks subscribed to Liberty Loans simply by writing deposits on their books to the credit of the government, and individuals lent to the government by borrowing of the banks, the sums so borrowed being likewise credited by the banks as deposits on their books.

All these methods of war finance may be defended on the plea of necessity, but they are inflation none the less, even when gold redemption has been maintained, and they therefore tend to add to the cost of living. As Dr. Miller, of the Federal Reserve Board, has said, "Inflation is no less inflation when gilded with gold."

On the whole, the money in circulation in the United States rose from three and one-third billions in 1913 to five and a half billions in 1918, and bank deposits from thirteen to twenty-five billions, both approximately corresponding to the rise in prices.

Taking a worldwide view, the money in circulation in the world outside of Russia has increased during the war from fifteen billions to forty-five billions and the bank deposits in fifteen principal countries from twenty-seven billions to seventy-five billions. That is, both money and deposits have trebled; and prices, on the average, have perhaps trebled also.

The increase of over thirty billions in the money of the world (outside of Russia) is as Mr. O. P. Austin, statistician of the National City Bank, says, "more in its face value than all the gold and all the silver turned out by all the mines of all the world in 427 years since the discovery of America."

The secret of the high prices then lies not so much in scarcity of goods or profiteering in trade or in the other conditions usually supposed as in our money and banking conditions. The great cause lies in the fact that the *world's war debts have been pulverized into circulating media*. This first occurred in Europe, but we in America felt its reflex effect long before we entered the war. The European nations sent their gold to us in payment for war supplies. The billion dollars of new gold imported into the United States between August, 1915, and our entry into the war gave our price level its great war-time boost. That billion of gold and our twenty-two billions of Liberty Loans after we entered the war explain more than nine-tenths of our high cost of living today.

This rise of prices has hurt those with "fixed" incomes and helped those who take what is left—the so-called "profiteers."

In spite of the general impression to the contrary, wages have not, *on the average*, kept up with the soaring cost of living.

Both the danger of incurring inflation and its evils are bound up with the fact that the public generally is ignorant and indifferent on the subject. The sound banker and the economist have always to fight against inflationistic fallacies and proposals. The average man

persists in thinking that "a dollar is a dollar." As he cannot imagine having too much money himself, he cannot imagine a country having too much money. He little dreams that his present difficulties with the high cost of living are due primarily to too much money and substitutes for money, or credits.

In the combination of irritation over high prices and ignorance of their *true* cause, we find the real danger in our present situation. Ignorant radicalism is using high prices as a lever for attacking our economic system. The incessant strikes and the difficulties of the railroads and other public utilities, two outstanding features of the papers every day, are not yet understood as due to inflation and the shrinking purchasing power of the dollar.

This all points to the need for reaching a scientific solution of the problem before reckless radicalism has any further excuse for sweeping the country with some hastily conceived remedy such as would only leave things worse than they are.

When we were suffering from the opposite aberration of our unruly dollar, *i. e.*, when we went through the drastic fall of prices, beginning with the close of the Civil War and ending in 1896, the evils of depression in trade, bankruptcies, and unemployment, very nearly led the country to adopt the desperate remedy of Mr. Bryan, a remedy which would have been worse than the disease.

The radicalism of those days, expressed in "populism," died out soon after prices stopped falling. The present radicalism will die out soon after prices stop rising. If only we could put a stop once and for all to these great swings of prices in either direction, we would escape a vast amount of social discontent which price movements always breed.

To secure this result we need a stable price level, and to secure a stable price level we must stabilize the dollar, the aberrations of which disturb the price level.

Our present dollar is constant in weight. No matter what influx of gold may take place, or how much the value (purchasing power) of gold is lessened by the increase of its paper and credit substitutes, the government must pay the same nominal price for it. In other words, fluctuations in the price of gold can not show themselves in the altered price of gold. They are, therefore, reflected in the prices of other things.

Let us, therefore, vary the price of gold. In other words, let us *vary the weight of the dollar*, weighting it when the index number of prices is too high, and lightening it when the index number of prices is too low.

This can easily be managed if we have gold circulate by means of paper representatives, redeemable in whatever amount of gold bullion may be, at that date, the dollar.

In this way, any change in the price level is always in process of being corrected, the gold bullion dollar is always being approximated to a constant purchasing power (*i. e.* a constant price level), the circulating dollar certificates are redeemable and hence equal in purchasing power to this amount of gold, and finally the credit structure (assuming a sound banking system) is also kept from fluctuating by its relation to this stabilized dollar.

As to the bankers' reserves, these would all be kept not in gold but in gold certificates redeemable at the sub-treasuries in gold bullion of whatever weight per dollar should be declared at any time. Thus the banker would not be concerned with fluctuations in the price of gold; but the government would assume this responsibility—as it should under our Constitution provision to “regulate the value of money.”

This question of the government gold reserve, and many other questions which will arise in every banker's mind, are discussed in my forthcoming book, “Stabilizing the Dollar.” Suffice it to say that the plan has for several years run the gauntlet of questions and

criticisms among economists and has now their almost unanimous support. It has also been studied carefully and approved by such bankers as Frank A. Vanderlip, formerly president of the National City Bank of New York, and John Perrin, Federal reserve agent of the Pacific Coast. It has been indorsed by numerous other bankers, business men, and business organizations such as the Bridgeport Chamber of Commerce and the New England Purchasing Agents' Association. A resolution has been introduced into Congress to investigate the subject. Before many more months are past it will, I believe, be an issue before the country which cannot be escaped.

Registration at the Association Offices

REPORTED FROM AUGUST 26 TO SEPTEMBER 26, 1919

Beaghtler, John L., cashier First National Bank, Savannah, Mo.
 Bishop, A. G., president Genesee County Savings Bank, Flint, Mich.
 Bower, Butler O., assistant cashier Hanover Bank, Wilkes-Barre, Pa.
 de Strycker, P. J., Delegate of Cardinal Mercier, Louvain, Belgium.
 Downey, Brandt C., president Commercial National Bank, Indianapolis, Ind.
 Faircloth, Chas. A., president National City Bank, Tampa, Fla.
 Ferlbee, M. C., National Bank of Commerce, Norfolk, Va.
 Hennings, Thos. C., vice-president Mercantile Trust Company, St. Louis, Mo.
 Hoge, James D., Chairman of Board, Union National Bank, Seattle, Wash.
 Koch, Geo. B., president Peoples Exchange Bank, Jamesport, Mo.
 McNally, R. F., vice-president and cashier National Bank of Commerce, St. Louis, Mo.
 Packard, R. A., vice-president National Union Bank, Jackson, Mich.

Radcliff, William H., secretary and treasurer Rockland County Trust Co., Nyack, N. Y.
 Sadd, W. A., president Chattanooga Savings Bank, Chattanooga, Tenn.
 Shepherd, F. N., Field Manager, U. S. Chamber of Commerce, Washington, D. C.
 Simpson, F. N., Bank Examiner, State Banking Department, Rochester, N. Y.
 Stephenson, Gilbert T., secretary and assistant treasurer Wachovia Bank & Trust Company, Winston-Salem, N. C.
 Terrell, C. M., treasurer First Trust & Savings Bank, Miami, Fla.
 Teter, Lucius, president Chicago Trust Company, Chicago, Ill.
 F. J. F. Thiel, Deputy Assistant Treasurer of U. S., Washington, D. C.
 Willits, F. E., Chairman of Board, Glen Cove Bank, Glen Cove, L. I.
 Wing, E. M., president Batavian National Bank, La Crosse, Wis.

Savings Bank Section Secretary

The Savings Bank Section of the American Bankers Association announces the appointment as Secretary of Leo Day Woodworth, having accepted the resignation of Milton Harrison, who after five years' of particularly efficient service for the section, becomes executive manager of the Savings Banks Association, of the State of New York.

Mr. Woodworth for the past two years has been secretary of the Advisory Council of Real Estate Interests, composed of the principal real estate lending and owning interests of New York City, of which the chairman is Mr. Alfred E. Marling, president of the Chamber of Commerce of the State of New York. Mr. Woodworth was formerly an extensive dealer, appraiser and developer of real estate in Rochester and in New York City, having represented various savings banks in connection with their real estate loans, and served as an appraiser for the Federal Farm Loan Board. Also he was active in organization work as secretary, vice-president and president of the Real

Estate Board of Rochester, Farm Brokers Association of the State of New York and the Real Estate Association of the State of New York, and he has served as chairman of the committees on state legislation, advertising and resolutions of the National Association of Real Estate Boards. He is a member of the American Economic Association, National Tax Association, Academy of Political Science, National Housing Association, American Conference on City Planning; is secretary-treasurer of the New York State Tax Association; member of the special committee on taxation appointed by the New York State Conference of Mayors, and member of the New York State committee on amortization of mortgage loans appointed by the Savings Bank Section, American Bankers Association, is widely known as a writer on subjects relating to the security of investments, taxation, cost of government and business methods for real estate brokers and agents.

Pan-American Relations

Giving Financial Assistance to Latin-American Republics Will Develop Great Trade For United States

By John Barrett

Director General of Pan-American Union

Address delivered before Forty-fifth Annual Convention of American Bankers Association

EVERY banker and every man interested in the financial and commercial relations of the United States with the twenty Latin-American republics should realize the importance of Pan-America and Pan-Americanism.

Pan-America, geographically speaking, includes everything from the Arctic to the Antarctic oceans, and Pan-America, politically speaking, covers everything from the United States south to Argentina and Chile, or the twenty-one independent republics. Pan-Americanism means the co-operation of all these countries for the good of themselves individually and collectively. This implies that every banker in North and South America should be concerned with Pan-Americanism and should make a study of all the influences which will promote Pan-American commerce, Pan-American friendship, and Pan-American co-operation in all things that will be helpful to the Western Hemisphere.

That the bankers and banking influences of the United States may comprehend the real meaning of Pan-America and Pan-Americanism, let us have some definitions of significance. If we look upon Pan-America politically, it means the twenty-one republics that reach from the United States on the north to Argentina and Chile on the far south; if we consider it geographically, it means everything from Canada to Chile. Pan-Americanism means the co-operation of all these countries for the good of each and all of them and thereby for the good of all the world. "Pan-Americanism" and "Pan-America" are used as terms instead of "All-Americanism" and "All-America," because the prefix "Pan" is common to the Spanish, Portuguese and English languages, whereas "all" is known only to English. Pan-Americanism, in its broad sense, in short, includes everything from the northern to the most southern end of the Western Hemisphere.

Naturally, the question arises as to the scope and responsibility of the Pan-American Union, of which I have the honor to be the executive head. Let us therefore realize what the Pan-American Union means. It is the official organization of the twenty-one independent American republics, devoted to the development of good understanding, friendship, commerce and trade, and peace among them all. It works for the good of the Pan-American republics, just as a chamber of commerce works for the good of any particular city. It is not antagonistic to the rest of the world any more than a chamber of commerce of a city is antagonistic to other cities. It desires to promote the co-operation of Pan-America with the

rest of the world for peace and progress, and therefore should meet the approval of the rest of the world.

The Pan-American Union is controlled by a Governing Board, composed of the Secretary of State of the United States and the diplomatic representatives in Washington of the other American republics. It forms the Supreme Council, so to speak, of the Western Hemisphere and nations, and it meets the first Wednesday of every month, except those of the summer season, to consider Pan-American problems. That it constitutes a practical League of Nations is evidenced by the fact that since it first met there has been no war between any two American republics, and it has prevented many wars among themselves. The Pan-American Union is housed in a beautiful building at the foot of 17th Street, in Washington, which the greatest French architect has described as "combining beauty of architecture and usefulness of purpose more than any other public building in America." Will every American banker realize that this building is always open to him and that this staff is ready to give him any information he may desire regarding Pan-American relations.

To the bankers of America, I can say that the future development of Pan-American relations, Pan-American commerce and Pan-American co-operation depends to a large degree upon them. It is all right to loan money to countries of Europe and Asia, but the countries of Latin America should be your first consideration. In the same way that a parent, a brother or a sister thinks of aiding the members of his own family, the United States bankers and financiers should think of aiding the bankers and financiers of the sister republics of Latin America. There may be an attraction about Europe and Asia that would lead the banking and financial interests of the United States first to these countries, but, when it comes to the vital interest, we should have first consideration of Central and South America. When it is remembered that every country of Latin America was aided by the United States in establishing its independence, that every Latin-American country wrote its declaration of independence and its constitution upon those of the United States, there is an appeal that comes from no European or Asiatic country.

In the same manner that the central West in its early development demanded money and banking privileges from the Eastern states and the United States, and that the far Western states demanded similar aid from the central West and the East Atlantic states, so correspondingly the countries of Latin America require the money and co-operation of the bankers and finan-

ciars of the United States, from New York to California.

I must be frank and say that unless the bankers and financiers do their part in caring for Latin America, they will be supplanted by the moneyed men and co-operation of Europe and Asia. Numerous American banking institutions have established branches or agencies in Latin America, and this must be extended until the competition of Europe and Asia is adequately met. The banking institutions of the Atlantic Coast have already shown a most progressive spirit in establishing branches and agencies throughout Latin America. The central West and Pacific Coast must do the same thing if they would play their part in the development of practical Pan-Americanism.

I indulge in no exaggeration when I say that if the American banking and financial interests will invest in, or loan, a billion dollars to Latin-American governments and legitimate Latin-American enterprises during the next five years, they will increase American commerce a billion dollars in the same period.

In conclusion, permit me to make a few suggestions that may appeal to the American Bankers Association:

1st. Let the American Bankers Association, at its Convention in 1920 or 1921, invite ahead, in time for their acceptance, representative bankers of the twenty Latin-American countries to attend and participate in their sessions, with a special Pan-American session which will consider Pan-American problems of banking and finance. In other words, let the next Convention of this organization be a Pan-American or international gathering.

2d. In the meantime, let the bankers, financiers and investors of the United States make every effort to visit the Latin-American countries; study their material, political, financial and general conditions, and in turn, let the bankers, financiers and others of Latin America visit the United States for corresponding information.

3d. Let every North American banker or investor, provided he cannot go to Latin America, study the history, the past and present condition and the future possibilities of the Latin-American countries, and realize the importance of the co-operation of the United States and Latin-American countries for the good of themselves and the good of the world.

Report of General Counsel

(Continued from page 215)

Counsel Paton, and the point has been reached where such officials are willing to co-operate in the creation and promulgation of such a special form. Their objection at first was that if they made a special form for banking corporations it would set a dangerous precedent for other classes of corporations who would make similar demands, and a further objection was that after a bank had once undergone the labor and trouble of making out its return on the general corporation form for the first year, it had already done all the work and the filling in of forms for subsequent years would be a comparatively simple matter. These objections were met, and upon realization that much good could be accomplished by a special form of bank return it was suggested that we present a concrete form which would be approved by the banks. This is the point at which we have now arrived and banks interested in this subject are being requested to offer suggestions as to what should be contained in a special form for banks, or prepare and present a tentative form, so that ultimately an agreed form may be completed suitable for the returns of banks which can be presented to the Commissioner of Internal Revenue with request for its adoption.

OFFICE ROUTINE

The Library of the General Counsel is equipped with the complete statutory enactments of all the states, kept down to date, and with reports of decisions of all the courts of last resort since 1909. For decisions prior to that time the facilities of one of the general Law Libraries in the City of New York are utilized. There is also a fairly complete collection of text-books on banking, bills and notes and kindred topics. The work of collecting and maintaining an effective law library suited to the particular needs and demands made upon the office has devolved upon Assistant Herrick J. Skinner of the New York Bar, who also has in charge the receipt and classification of all bills, amendments and reports of committees introduced in Congress affecting banks; also the filing and classifying of the numerous manuscript or unpublished legal opinions which are rendered to the members by the General Counsel upon submitted questions. The number of requests from members for legal advice upon particular transactions involving questions of right or of loss and liability have increased enormously, and Assistant Frank W. Jones of the New York Bar is kept constantly employed under the supervision of the General Counsel in investigating and search-

ing for decisions and precedents applicable to the facts of particular cases submitted which will aid in the solution of the legal problems presented.

DIGEST OF LEGAL OPINIONS

In pursuance of a resolution of the Executive Council, the legal opinions of the General Counsel which have been published in the JOURNAL of the Association for the last eleven years, have been digested and published in book form. The work of digesting was completed and the manuscript turned over to the printer about the first of July last. Distribution of the book to fill advance orders received began September 5. Pending publication of the Digest and to estimate in advance approximately how many copies should be printed, circulars were mailed to all member and non-member banks describing the Digest and enclosing order blanks, the price being fixed for members at \$2.50 per copy and for non-members at \$5 per copy. It is gratifying to report that down to September 1 the number of orders for the Digest totaled 4,844; that the orders are continuing to come in and sales are constantly increasing; further, that a considerable number of non-members have joined the Association to obtain the benefit of the reduced price of the book to members. In fixing the price to members it was not aimed that the Association should derive any substantial profit, but simply sell the book at a figure which would cover the cost. The entire work of digesting and of marketing this book has been in the hands of Assistant Counsel Paton, to whom any credit is due. Stating figures approximately, the gross income from orders to September 1 last, including cash received in advance and amounts receivable, is \$12,250. Of this there has been received in advance approximately \$3,000, leaving bills receivable approximating \$9,250. The total expenses for printing (6,000 copies), wrapping and mailing the book, including clerical services and other incidental expenses approximates \$7,100, which leaves a net income to the Association upon books already sold at the close of the fiscal year of approximately \$5,000. It is to be noted that all the orders thus far received, with slight exception, have been in advance of the issue of the book and simply as a result of circularization. The printing of 6,000 copies has covered this and left a margin of about 1,000 to spare. It is quite probable, now that the book is issued, there will be an increased demand which will call for a second edition.

THOMAS B. PATON,
General Counsel.

Amendments to Constitution and By-Laws

(Adopted at the Fourty-fifth Annual Convention)

The following amendments were adopted at the annual session of the General Convention at St. Louis, Mo., September 29-October 2, inclusive.

ASSISTANT TREASURER

Amend Article V, Section 9, by inserting the words in bold type, so that Section 9 as amended shall read as follows:

"Sec. 9. The Executive Council, at the meeting provided for in Section 8 of this article, shall elect a General Secretary, a General Counsel and a Treasurer, who shall be co-ordinate officers; also elect one or more Assistant Secretaries, and shall appoint or authorize the appointment of such subordinate officers and other employees, including an Assistant Treasurer to be appointed by the Administrative Committee, as the Council may deem necessary, and at its discretion the Council may remove any or all such officers and employees from office or employment.

"The term of office of the Treasurer shall begin on December first following date of his election by the Executive Council."

Amend Article V, Sec. 13, to read as follows (amendment consists in eliminating words in brackets and adding words in bold type):

"Section 13. The Treasurer shall [collect all dues] receive and account for all moneys due to the Association, pay out money only upon vouchers countersigned and approved by the General Secretary and by the President of the Association or by a member of the Finance Committee of the Executive Council duly designated by that Committee for that purpose, and in a case of vouchers for expenses incurred by a Committee, or a Section, only when such vouchers shall have received the additional approval of the Chairman of such Committee or the Chairman of the Executive Committee of such Section, and no moneys shall at any time be paid out by the Treasurer in excess of the appropriation made for any office, committee, section, or other purpose. He shall pay no appropriations in bulk but only upon proper vouchers representing service, expenses or cost of materials, and any balance of any appropriation not so withdrawn at end of the fiscal year shall revert to the general fund. The Assistant Treasurer shall collect all dues, turn over all receipts to the Treasurer and perform such other duties as may be assigned to him by the Treasurer, the Administrative Committee or the Finance Committee."

Amend Article V, Section 14 to read as follows (new matter indicated by bold type, matter omitted in brackets):

"Sec. 14. The General Secretary, Treasurer, Custodian of Securities, [and] Assistant Secretary and Assistant Treasurer shall each give to the American Bankers Association a bond in amount and form satisfactory to the Executive Council."

REPORT OF NOMINATING COMMITTEE AND INSTALLATION OF OFFICERS

Amend the concluding portion of Section 1 of Article X to read as follows (amendment consists of insertion of words in bold face type):

"* * * It shall be the duty of such Nominating Committee to meet as soon as practicable after the first adjournment of the General Convention assembled in annual session, next ensuing after their election, at the call of the General Secretary of the Association, and organize by the selection of a Chairman and secretary from their number. They shall recommend a candidate or candidates for President of the Association, and a candidate or candidates for First and Second Vice-Presidents of the Association, and the Nominating Committee shall make report of its recommendations so made to the General Convention, at any subsequent session of the General Convention,

preferably on the morning of the last day of the Convention, but prior to the order fixed by program for the election of officers. The nominations or recommendations made by the Committee shall not exclude the name of any person otherwise nominated in the Convention, and under the regular order for the election of officers any delegate may place in nomination any qualified member for President or First or Second Vice-President, or for all. The regular order for the election of officers shall immediately follow the report of the Nominating Committee."

Amend Article III, Section 6, to read as follows (matter eliminated in brackets, new matter in bold face):

"Sec. 6. The General Convention at its annual session shall elect a President of the Association and a First and Second Vice-President of the Association, each of whom shall have the qualifications of a delegate. The President and Vice-Presidents shall be installed in office (immediately after election) at the close of the last day's session of the General Convention and shall serve until the next succeeding election, and until their successors are duly installed in office, and shall not be eligible to immediate reelection to the same position after a full term of service.

"The General Convention at its annual or any special session shall elect or appoint such other officers and employees as to the Convention shall seem fit, except as hereinafter otherwise provided."

Amend By-Law Eight by eliminating the words "election and" in the first and second lines thereof, so that said by-law shall read as follows (words eliminated shown in brackets):

"Eight. The Association year shall begin after the order of [election and] installation of officers in the proceedings of each annual session of the General Convention, and shall continue until the same order in the proceedings of the annual session of the General Convention next thereafter succeeding."

VACANCY IN OFFICE OF STATE VICE-PRESIDENT

Amend Article IV, Section 3, of the Constitution by inserting after the first sentence thereof, a new sentence as follows:

"Any vacancy in the office of State Vice-President in any state occasioned by death, resignation or other cause shall be filled for the unexpired term by appointment by the Administrative Committee."

ADDING SECOND VICE-PRESIDENT TO ADMINISTRATIVE COMMITTEE

Amend Article V, Section 15 (d), to read as follows (new matter in bold face type):

"(d) The Executive Council, at its first meeting as aforesaid, shall elect from its membership, one person from the one-year class, one person from the two-year class, who with the President of the Association, the First and Second Vice-Presidents of the Association, the last living ex-President and the Presidents of the National Bank Section, State Bank Section, Savings Bank Section and Trust Company Section, shall constitute the Administrative Committee, and whose membership shall expire with their membership in the Council, and annually thereafter, shall elect one person from the two-year class, to fill the vacancy occasioned by the expiration of term. Any vacancy occurring by death, resignation, or other cause shall be filled by election from the same class for the unexpired term."

ENLARGEMENT OF FEDERAL AND STATE LEGISLATIVE COUNCILS

Amend Article V, Section 15 (aa), to read as follows (new matter in bold type; matter omitted in brackets):

"A State Legislative Council is hereby created which shall consist of (1) the members of the Committee on State

Legislation, (2) one member of the Executive Council from each state other than those which have a member of the Committee on State Legislation, or an ex-member from such state when suggested by a member or members of the Executive Council from such state, to be elected by the Executive Council annually at its first meeting after final adjournment of the General Convention, (3) the presidents and first vice presidents of the sections and (4) the vice-presidents of the Association and of the Trust Company, Savings Bank, National Bank and State Bank Sections in each state [one member of the Association in each state which has no Executive Council member to be appointed by the chairman of the Committee on State Legislation]. The chairman of the Committee on State Legislation shall be chairman of the State Legislative Council. In each state the elective Executive Council member of the State Legislative Council, or where there is no such member, the State Vice-President of the American Bankers Association shall be chairman of a sub-committee to be composed of the members of the State Legislative Council in such state and such other members as the state chairman shall appoint. Elective or appointive membership on the State Legislative Council shall expire at the time of the annual election of new members thereof, but such members shall be eligible for immediate re-election or reappointment. Any vacancy caused by death, resignation or other cause shall be filled by appointment by the chairman of the Committee on State Legislation of any eligible member.

Amend Article V, Sec. 15 (bb), to read as follows (new matter in bold face; matter omitted in brackets):

"A Federal Legislative Council is hereby created which shall consist of (1) the members of the Committee on Federal Legislation, (2) one member of the Executive Council from each state other than those which have a member on the Committee on Federal Legislation, or an ex-member from such state when suggested by a member or members of the Executive Council from such state, to be elected by the Executive Council annually at its first meeting after final adjournment of the General Convention, (3) the presidents and first vice-presidents of the sections and (4) the vice-presidents of the Association and of the Trust Company, Savings Bank, National Bank and State Bank sections in each state [one member of the Association in each state which has no Executive Council member to be appointed by the Chairman of the Committee on Federal Legislation]. The Chairman of the Committee on Federal Legislation shall be chairman of the Federal Legislative Council. In each state, the elective Executive Council member of the Federal Legislative Council, or where there is no such member, the State Vice-President of the American Bankers Association shall be chairman of a Legislative Council in such state and such other members as the state chairman shall appoint. Elective or appointive membership on the Federal Legislative Council shall expire at the time of the annual election of new members thereof, but such members shall be eligible for immediate re-election or re-appointment. Any vacancy caused by death, resignation or other cause shall be filled by appointment by the Chairman of the Committee on Federal Legislation of any eligible member."

Amend the second sentence of Section 16 (a), Art. V, to read as follows (matter omitted in brackets):

"In case of legislative emergency arising between sessions of the General Convention whereby the welfare of the members might be injuriously affected by delay, the Committee shall urge the enactment of drafts of state statutes in the manner aforesaid upon approval of the Executive Council, upon approval by the members of the [State Legislative Council and other members of the] Executive Council by referendum vote as hereinafter provided."

Amend the last paragraph of Section 16 (aa), Art. V, to read as follows (new matter in bold face type; matter omitted in brackets):

"In cases of legislative emergency arising between sessions of the General Convention or of the Executive

Council, wherein it becomes necessary in the judgment of the Chairman of the Committee on State Legislation to immediately urge the enactment of drafts of proposed statutes through state organizations, or where any committee created by the Association or the Executive Council or any Section of the Association officially communicate such necessity to said Chairman, it shall become the duty of such said Chairman to submit such drafts and the action proposed thereon to the members [of the State Legislative Council and to all other members] of the Executive Council in such manner as he may deem best for their approval by referendum vote and the policy of the Association as to urging or otherwise the enactment of such proposed statutes shall be thereby determined by a majority of all such members who vote thereon within a reasonable time, subject, however, to change by the Executive Council or by the General Convention."

Amend the second sentence of Section 16 (b) of Art. V to read as follows (matter omitted in brackets):

"The Committee on Federal Legislation shall receive in charge all resolutions adopted by the General Convention declaring in favor of, or in opposition to, national legislation upon any subject, and shall by petition, memorial or other proper action further the purposes declared for in such resolution; and in case of legislative emergency arising between sessions of the General Convention, whereby serious and harmful results to the welfare generally of the Association membership might result from delay, the Committee shall perform services as to resolutions of similar character adopted by the Executive Council at its sessions or in case of emergency in the interim between sessions of the Executive Council shall perform similar services upon resolution adopted by members [of the Federal Legislative Council and other members] of the Executive Council upon referendum vote as hereinafter provided."

Amend the last sentence of Section 16 (bb) of Art. V to read as follows (new matter in bold face type; matter omitted in brackets):

"In cases of legislative emergency arising between sessions of the General Convention or of the Executive Council, wherein it becomes necessary in the judgment of the Chairman of the Committee on Federal Legislation to immediately determine the policy of the Association in favor of, or in opposition to, national legislation upon any subject or where any committee created by the Association or the Executive Council or any section of the Association officially communicate such necessity to said Chairman, it shall become the duty of said Chairman to submit any such question of policy in form of a resolution to the members [of the Federal Legislative Council and to all other members] of the Executive Council in such manner as he may deem best for referendum vote and the policy of the Association shall be thereby determined by a majority of all such members who vote thereon within a reasonable time, subject, however, to change by the Executive Council or by the General Convention."

INDEPENDENT LEGISLATIVE ACTION BY SECTIONS

Amend By-Law Sixth by striking out the last paragraph thereof.

Amend Section 16 of Article V of the Constitution by changing first sentence of subdivision (a) thereof to read as follows (new matter in black type):

"(a) The Committee on State Legislation shall have in charge the consideration of state statutes affecting the powers, privileges and duties of the members of the Association except as hereinafter provided; also the subjects of uniformity of laws and commercial usage; and may for such purposes as occasion may arise recommend to the Executive Council and the General Convention drafts of proposed statutes for their approval, and, upon such dual approval shall urge the enactment of such approved drafts through state organizations."

Further amend Section 16 by inserting at the close of subdivision (aa) thereof a new subdivision as follows:

"(bb) Subjects of state legislation of special interest to any section may be presented to the Committee on State

Legislation as hereinbefore provided; or such subjects may be urged independently by the State Legislative Committee of any Section, in which case any expense incurred by the Section shall be charged to the appropriation of the Section, and where a subject of special interest is thus independently urged by any Section, no action in such case shall be taken by the State Legislative Committee of the Association except under the instructions of the Association in convention assembled."

Further amend Sec. 16 by changing the first sentence of subdivision (b) thereof to read as follows (new matter in bold face type):

"(b) The Committee on Federal Legislation shall have in charge the consideration of national statutes affecting the powers, privileges and duties of the members of the Association, except as hereinafter provided, and may for such purposes as occasion may arise recommend to the Executive Council and the General Convention drafts of proposed statutes for their approval and upon such dual approval shall urge the enactment by Congress of such approved drafts."

Further amend Section 16 by inserting at the close of subdivision (bb) thereof a new subdivision as follows:

"(cc) Subjects of national legislation of special interest to any Section may be presented to the Committee on Federal Legislation as hereinbefore provided; or such subjects may be urged independently by the Federal Legislative Committee of any Section, in which case any expense incurred by the Section shall be charged to the appropriation of the Section; and where a subject of special interest is thus independently urged by any Section, no action in such case shall be taken by the Federal Legislative Committee of the Association except under the instructions of the Association in convention assembled."

ANNUAL DUES OF MEMBERS

Amend By-Law Second to read as follows (matter eliminated in brackets, new matter in bold face type):

"Second. The annual dues of the members of this Association, including annual subscriptions to its monthly "Journal-Bulletin," shall be \$10 for banks and trust companies having an aggregate capital and surplus of less than \$100,000; [\$20] \$25 for banks and trust companies having an aggregate capital and surplus of \$100,000 and less than \$250,000; [\$25] \$35 for banks and trust companies having an aggregate capital and surplus of \$250,000 and less than \$500,000; [\$40] \$50 for banks and trust companies having an aggregate capital and surplus of \$500,000 and less than \$750,000; [\$50] \$75 for banks and trust companies having an aggregate capital and surplus of \$750,000 and less than \$1,000,000; [\$65] \$100 for banks and trust companies having an aggregate capital and surplus of \$1,000,000 and less than [\$5,000,000] \$2,500,000; [\$100] \$150 for banks and trust companies having an aggregate capital and surplus of \$2,500,000 and less than \$5,000,000; \$200 for banks and trust companies having an aggregate capital and surplus of \$5,000,000 and less than \$10,000,000 and \$250 for banks and trust companies having an aggregate capital and surplus of \$10,000,000 and over. These rates shall apply to savings banks without capital according to their surplus or reserve fund and to private bankers and banking firms according to capital employed. Dues of associate members and branch banks having separate capital shall be in all respects the same as the foregoing. The annual dues of branch banks without separate capital, chapters of the American Institute of Banking and secretaries of state bankers' associations shall be \$10.

"The annual dues of members who do not subscribe for the "Journal-Bulletin" shall in each case be \$2 less than the amounts hereabove specified."

VOTING FOR MEMBERS OF EXECUTIVE COUNCIL

Amend By-Law Fourth by inserting in subdivision (b) thereof, immediately following the sentence: "At such meeting the members of the American Bankers Association in attendance shall vote, in person only, from a list certified by the General Secretary of the Association to the Secre-

tary of the State Bankers Association," the following: "And no delegate shall represent more than one member."

FILLING VACANCIES IN EXECUTIVE COUNCIL

Amend the second sentence of Section 5 of Article V to read as follows (new matter in bold face type):

"Any vacancy in the elective membership occasioned by death, resignation or other cause shall be filled by the proper state, group or district as members of the Executive Council are chosen, but for the unexpired term only except that the Vice-President for each state shall have power to select a member to fill a vacancy on the Executive Council until the next regular meeting of the State Association and no person who shall have served a full term of three years as a member of the Executive Council shall be eligible to membership in the Executive Council for any term beginning with the expiration of such full term."

ELECTION OF MEMBERS OF PERMANENT COUNCIL

COMMITTEES

Amend Section 15 of Article V by adding at the end thereof the following:

"In the election of members of the permanent Council committees, other than committees provided in subsections (aa) and (bb), the Executive Council shall have power, in its discretion and whenever in its judgment the best interests of the Association will be served thereby, to elect to membership on any such committees, members of the Executive Council irrespective of their terms of service on the Executive Council, provided that existing members of any such committees shall continue until the expiration of their membership on the Council and that the total number of members on any such committee shall not be increased by such discretionary method of election.

"The Executive Council at the meeting provided for in Section 8 of this article shall designate one member of each of such committees to act as chairman thereof for the ensuing year."

Amend By-Law Fourth, paragraph (c) striking out the whole thereof and substituting the following:

"(c) States not provided for in sub-division (a) where in the total number of banks eligible for membership in the American Bankers Association is less than one hundred or does not exceed one hundred and thirty-three, shall each be entitled to one member of the Executive Council provided the members of the American Bankers Association in each such state are not less than seventy-five per cent of the total number of banks in such state so eligible for membership. The election of such members of the Executive Council shall be in the same manner and be governed by the same rules of procedure as provided in subdivision (b). This amendment however shall not affect the tenure of office of present members of the Executive Council elected to represent particular groups and no such state can have more than one member of the Executive Council."

Amend Sec. 2, Art. V of the Constitution by striking from the second line thereof the words "Groups of States."

RESOLUTION

Resolved, That a Special Committee is hereby created in pursuance of Article VI, Section 2, to be known as the Public Relations Committee, which shall have in charge matters of publicity in which the Association is interested, including the relations between the Association, the public and other organizations. Its functions shall include the preparation of advertising forms and literature for the members and the rendering of such services for members in connection with advertising and publicity as may be proper and practicable. The Committee shall perform such other duties as may be imposed upon it from time to time by the Executive Council. The Committee shall be composed of seven members to be appointed by the President, subject to confirmation by the Administrative Committee, from the membership of the Association or from the membership of the Executive Council, or from both at his discretion.

Annual Report of Protective Department

L. W. GAMMON, Manager

During the period covered by this report there has been a marked increase in the number of crimes against members of this Association, particularly in the burglarizing of vaults, safe-deposit boxes and the daylight hold-ups. As a matter of fact, all classes of crime have materially increased during the past year owing to the unsettled conditions, and I do not look for any let up in crime for some time to come.

ARRESTS

For the period from September 1, 1918, up to and including August 31, 1919, I beg to report as to the operations against criminals, as follows:

Total cases not disposed of, arrested prior to September 1, 1918.....	150
Total arrests since September 1, 1918.....	478
	<hr/>
	628
Convicted	273
Released, escaped, died and insane.....	132
	<hr/>
	405
Awaiting trial.....	223

BURGLARIES, ATTEMPTED BURGLARIES AND SNEAK THEFTS

Since September 1, 1918, up to and including August 31, 1919, there have been burglaries and attempted burglaries on members, and similar crimes on non-members, as follows:

	Members	Non-Members
Arkansas	3	1
California	2	1
Colorado	1	
Connecticut		1
Georgia	1	2
Idaho	1	
Illinois	20	26
Indiana	5	11
Iowa	3	2
Kansas	6	1
Kentucky		1
Louisiana	1	
Maine		1
Michigan	3	1
Minnesota	1	2
Missouri	6	2
Nebraska	1	
New York.....	1	2
North Dakota.....	2	6
Ohio	3	4
Oklahoma	2	3
Oregon	1	
Pennsylvania	1	
South Dakota.....	1	
Tennessee	3	
Texas	1	
Washington	4	
West Virginia.....	2	
Wisconsin	2	2

Of the attacks on members 50 were successful burglaries, 27 unsuccessful burglaries.

Of the attacks on non-members 46 were successful burglaries, 23 unsuccessful burglaries.

The loss sustained by members in connection with burglaries was \$98,892.29, while the loss sustained by non-members amounted to \$114,496.39.

There have been 54 hold-ups on members, with a loss of \$424,802.72, also 10 sneak thefts with a loss of \$28,175.75.

During the same period there have been 51 hold-ups on non-members with a loss of \$271,733.54.

Our members, as a rule, report all attacks on them, also the exact loss sustained; while on the other hand non-members rarely report attacks on them, or the loss, with the result that we do not obtain a record of some of these attacks or losses.

The following figures are given for your information of reported burglaries and attempted burglaries on banks since the inauguration of the Protective Features, such as are known:

Non-members	1,791	Loss.....	\$3,707,795.11
Members	663	Loss.....	536,390.14
			<hr/>
Difference.....	1,128		\$3,171,404.97

CORRESPONDENCE

During the twelve months ending August 31, 1919, the Protective Department has received 29,910 reports and other communications from our Detective Agents. The Department has also received 1,090 letters and telegrams, and written 2,621 letters and telegrams. These figures do not include circular letters and similar communications.

PHOTOGRAPHS

The Department now has 6,350 photographs of criminals, comprising burglars, hold-up men, sneak thieves, forgers and bogus check operators, with a complete record of each.

OFFICES OF OUR DETECTIVE AGENTS

The William J. Burns International Detective Agency, Inc., now have 20 offices of their own in this country, as follows: Los Angeles and San Francisco, Cal.; Denver, Colo.; Chicago, Ill.; New Orleans, La.; Baltimore, Md.; Boston, Mass.; Detroit, Mich.; Minneapolis, Minn.; Kansas City and St. Louis, Mo.; Buffalo and New York City, N. Y.; Cleveland, Ohio; Portland, Ore.; Philadelphia and Pittsburgh, Pa.; Houston, Texas; Seattle and Spokane, Wash.

They also have special representatives—M. D. Clemens, 820 Fleming Building, Des Moines, Iowa; G. S. Burt, P. O. Box 179, Cincinnati, Ohio; L. F. Squires, 908 Colcord Building, Oklahoma City, Okla.; R. L. Wallace, 306 Bank of Commerce and Trust Building, P. O. Box 464, Memphis, Tenn., and F. F. Dearing, St George Hotel, Dallas, Texas.

They also have offices of their own in Montreal and Toronto, Canada, and London, England; also special representative C. S. McTeigh, 605 Vancouver Block, Vancouver, Canada.

The Association has a special representative at Atlanta, Ga., L. P. Whitfield, 921 Healey Building.

I wish at this time to thank the Federal, state, county and local authorities throughout the United States for their co-operation, for they have aided this Department very materially in the investigation of cases during the fiscal year.

L. W. GAMMON,
Manager.

Report of Commerce and Marine Committee

JOHN MCHUGH Chairman

The report of the Committee on Commerce and Marine, John McHugh, Chairman, declared that, for the extension of foreign credits, "the necessary financial machinery in the form of a large, capably managed and thoroughly equipped organization with which the bankers, business men and manufacturers of this country would become identified and which might very properly be initiated and supported by the members of the American Bankers Association, should be provided with the least possible delay."

The Committee states that such an organization should have ample capital and be sufficiently resourceful to extend credits running into the largest figures that may be required for the purchase of American products, "and its efforts should most certainly be supplemented by the maximum of production here, in order not only that our own people be kept well and profitably employed, but that they be not subjected to the payment of excessive prices for their own needs."

The report says:

Your Committee on Commerce and Marine reports definite progress and increasing opportunities for constructive work along the lines of activity marked out in the authorization given by the Association at its annual convention in Chicago, in September, 1918.

That authorization was in the form of a resolution, adopted by the Association, together with subsequent action directly following vesting in the President of the Association the power of naming the Committee. The resolution was "That the American Bankers Association, in Convention assembled, pledges itself to support by every means in its power the development of export trade, to encourage manufacturers to enter upon this field of distribution, and to provide as rapidly as possible, adequate facilities for financing export operations sufficient to meet every reasonable demand that may arise." The authorization, pursuant to the adoption of the resolution, for the appointment of a special Committee by the President, which Committee should include the President, stated that the Committee should be known as the Commerce and Marine Committee, and it should "study this important question and bring it before the Association."

It was the judgment of the Committee at an early date that its most important function, under the circumstances, and one in strict accordance with the spirit of the resolution which called it into existence, was in the direction of the focussing attention on the creation of the American credits abroad. These credits, it was and is believed by the Committee, constitute an essential basis for the maintenance and extension of our foreign trade, and it was and is held by the Committee as evident that this basis can be secured, to a markedly important if not wholly necessary degree, by wisely-made American investments in high-class foreign securities, not only government issues, but also municipal and industrial, if properly guaranteed.

There has been and continues to be much discussion in general as to methods to be adopted to bring such securities in effective volume, and surrounded by necessary safeguards to insure their ultimate payment, before the American investing public. Legislation is pending, having the same object in view. Credits aggregating a few hundreds of millions of dollars have been extended by several banking institutions to meet pressing needs. Altogether, however, no well-organized effort has yet been made, and your Committee, therefore, believes it timely to say that it is confidently of the opinion

that the necessary financial machinery in the form of a large, capably managed and thoroughly equipped organization, with which the bankers, business men and manufacturers of this country would become identified, and which might very properly be initiated and supported by the members of the American Bankers Association, should be provided with the least possible delay. Such an organization should have ample capital and be sufficiently resourceful to extend credits running into the largest figures that can be required for the purchase of American products, and its efforts should most certainly be supplemented by the maximum of production here, in order not only that our own people be kept well and profitably employed, but that they be not subjected to the payment of excessive prices for their own needs. If such financial machinery were provided and had the support of the members of the Association, there could be no question of its success, and its success would find reflection in prosperous conditions in every section of the country.

Such an organization might confine itself to investments in securities of merchants, manufacturers and others of foreign countries when guaranteed by their bankers and their governments, and our own Government should indicate its willingness to lend its friendly offices to such an organization in its negotiations and in the collection of such foreign obligations if need be.

Your Committee believes that the so-called Edge bill S. 2472, affords a basis for organization in connection with the financing of export and import trade, and that such organization would not be in restraint of trade but would promote it under careful governmental supervision and with such support as the government might consistently and effectively extend; and therefore, earnestly recommends this view to the Association, to the end of prompt and effective action by the Association. The foreign trade financing contemplated under the Edge bill must, of course be carefully safeguarded, to the protection of the industrial, commercial, agricultural, labor, financial and other interests of the United States.

It was the Committee's opinion, as far back as last April, that high-grade foreign securities, or debentures issued against them by responsible and thoroughly well informed companies, with ample capital and officered by men having the confidence of the public both as to ability and integrity of purpose, should be absorbed by American investors in increasing volume, and that to bring this about would require carefully planned and consistently directed efforts.

It was in pursuance of recognition of the wisdom of establishing some such basis for the extension of American credits abroad that the Committee sent out on May 3, with a circular letter to the membership of the Association, a reprint by the Committee of the address, "America's Financial Equipment for Foreign Trade," delivered by Fred I. Kent, Vice President of the Bankers Trust Company of New York City, at the Sixth National Foreign Trade Convention held in Chicago the latter part of the preceding month. The chairman of your Committee expressed at that time the Committee's belief that Mr. Kent's analysis and recommendations, particularly with regard to the necessity of the absorption by American investors of high-class foreign securities, should be given the most careful consideration by the members of the Association.

There was widespread interest in the reprint, and requests for additional copies were received, and still are being received from various parts of the country. On August 16, the Chairman, with the approval of the Committee, sent out to the membership of the Association a circular letter asking expressions of opinion, for the benefit and guidance of the Committee on Commerce and Marine, on legislation dealing, in general with foreign trade. In this connection special attention was directed to the so-

called Edge bill, S. 2472, not with the idea of endorsing that or any measure then before Congress, but to develop constructive criticism of important proposals in the field of legislation under consideration. This was followed by a reprint by the Committee of the Edge bill as passed by the Senate.

In the circular letter reference was made to salient features of the Edge bill, and various points, favorable or debatable relative to that measure were brought up. The replies to this circular letter received from bankers in many parts of the United States, have been distinctly informing and helpful, and an analysis of them, so far as recorded, is at the service of the Association. In all this, the Committee on Commerce and Marine has been keeping in close touch with the Association's Committee on Federal Legislation and with the Federal Legislative Council of the Association, putting at the disposal of the Committee on Federal Legislation and the Federal Legislative Council all results developing from the circular letter sent out on August 16.

The letter in question has had a large circulation in addition to the membership of the Association, and the same is true of the printed report of the Committee on Commerce and Marine made to the Executive Council of the Association last May. Many requests for this report have been received, public institutions figuring largely in these requests, and interest has been evinced in it abroad as well as in this country.

Sections of this report of last May dealing with shipping policy and declaring, among other things for the working out of a merchant marine plan involving privately owned and operated vessels with such assistance as might be necessary to make their operation successful against all competition, were presented to the United States Shipping Board at a conference held in Washington, May, 22 and 23 last, these sections having special significance because they had been approved by the Executive Council of the American Bankers Association. It is felt that the Committee has had and is exerting an important influence, as representative of the Association, on the shaping of national policy in this particular. The Committee has had a sub-committee working on a safe and consistent plan of ship financing, in case the Government should decide to dispose of its mercantile shipping on reasonable terms.

Your Committee appreciates the difficulties relative to the working out by Congress of a plan which should give the freest possible activity to private initiative in shipping and, at the same time recognize and take account of the government's investment in shipping. It is, however, the Committee's firm belief that present conditions more than ever demand a speedy determination of shipping policy, and that such policy should, first of all, be based on the fact that private initiative and experience in shipping cannot safely be set aside in favor of experimentation in untried fields. Under the pressure of war necessity, the United States constructed a vast merchant fleet, and the number of government-built vessels of this type is constantly being augmented. This fleet, properly placed and effectively operated, should be a tremendous factor in the development of our foreign trade. The situation is, that, up to this time it is not fully so employed, this being due to a variety of causes. There must be worked out at the earliest possible moment a plan providing for the disposal of this fleet to responsible American concerns at prices fairly corresponding to the value of such vessels in the markets of the world, and, in this disposal, well-established shipping firms should have their rightful opportunity to expand their business. Pending such disposal, the mercantile shipping future of the United States requires the chartering of available vessels, at fair terms, to concerns evidently able to operate them to the national advantage. Other countries are rapidly placing their mercantile shipping on a sound commercial basis, and, if the United States lags in this, the effect, seemingly, cannot fail to be disastrous. It also is true that our navigation laws require careful, intelligent and business-like revision in order that foreign competition, which now exists to a

marked degree, can be met, due regard of course, being exercised with respect to proper compensation for the men on American ships and with respect, also, to proper return on American capital invested in shipping.

The Committee, in addition to being fully cognizant of banking and other plans for our foreign trade, has kept itself carefully informed for the benefit of the Association as to developments at Washington and elsewhere relating to the Shipping Board and to shipping matters generally, and has been fully alive to the necessity of keeping itself thoroughly informed also as to the trend of thought and policies of qualified shipping men generally, of exporters and importers, of manufacturers and of agricultural, labor and other interests. It has held before itself the fact that America's foreign trade, both export and import, in proper relative volume is a prime essential to a satisfactory and prosperous domestic situation, particularly with regard to labor. The committee has paid attention, which it is thought, has proved resultful to the subject of free zones in ports, to the development of Pan-American trade, to the significant development of regional interest in phases of foreign trade and to the question of special importance to numerous bankers, of increasing, by fair and proper means the security value of ship's mortgages, a point that is of particular meaning in connection with disposal of government merchant marine holdings to private interests.

The Committee months ago recognized the wisdom, if not the actual necessity of correlating its efforts, especially in respect to the extension of American credits abroad, with those of committees of other organizations working along lines more or less similar. This ideal of concerted effort, wherever feasible and advisable, has been one of the guides to the Committee, primarily, of course for the attainment of results, and secondarily, though scarcely less importantly in a sense, for the avoidance of duplicated activities. Something has been done in this field of co-ordination, but much remains to be done. Concerning co-operation, the Committee has particularly appreciated the advisability of enlisting the interest and aid of State Bankers associations in its work, and evidences of co-ordinated effort on the part of certain State associations has been especially welcome and valuable.

The Committee has established informative relations with important manufacturing and trade associations and commercial bodies throughout the country; many matters referred to it have received prompt, and it is hoped, adequate attention, and a very large amount of correspondence, between the Committee and individual members of the Association has been handled.

It is the Committee's considered belief that as an active and productive branch of the Association, its functions, if the work thus begun is to be continued and amplified, will be even more important the coming year than has been the case in the one just ending. It would seem to be without question that the interests of the Association especially at this time of rapid national and international developments, can be served effectively by continuance of the Committee's work, adequately financed, taking up the work at the present stage and broadening and emphasizing it in accordance with the Association's desires. It is just as unquestionable that, for desired results, there must be brought to that work constructive ability and earnest effort. It is apparent, that special dignity and influence would be given the successor to the present Committee, if it were constituted a permanent Commission or Committee of the Association—permanent, that is, in its machinery of organization—and were given reinforced authorization to do these things: First, to keep in close touch with all developments in connection with our foreign trade, particularly those developments directly associated with finance; Second, to do all that it can to keep the bankers of the country informed as to those developments, and, Third, to encourage by all proper means, through and for the American Bankers Association, the favorable consideration of such plans as in its judgment may prove worthy.

Report of the Insurance Committee

H. G. PARKER CHAIRMAN

GENTLEMEN: At the last annual convention of the American Bankers Association held in Chicago, Ill., the Insurance Committee, as a committee of the Association, was discontinued and under a constitutional amendment the Insurance Committee was made a Council Committee. The former Insurance Committee recommended that Mr. L. W. Gammon, Manager of the Protective Department, be made permanent secretary of the committee. The Executive Council approved this action.

During the past twelve months the unsettled condition of the country has apparently encouraged depredations of the character of burglary and hold-up, which give the insurance policies covering these crimes an increased importance. In the time indicated, twelve months up to August 31, 1919, there have been 50 burglaries and 27 attempted burglaries on member banks. The loss by these amounting to \$98,892.29, and there have been 54 hold-ups on member banks with loss of the large amount of \$424,802.72. This is far in excess of the experience of any previous twelve months, and it is reasonably expected during the period of reconstruction and unrest this will continue and likely increase. The Burglary Insurance Underwriters Association have recently decided, because of this increase in crime, to separate the burglary and hold-up clauses in the policy. In other words, the burglary and robbery policy will cover only burglary, which to cover hold-ups an additional charge of \$1 per thousand of insurance will be charged.

The issue and distribution of some eighteen billion Liberty Bonds by the Government to the people introduces another problem. The safekeeping of these bonds must be provided for by the banks through the more extended use of the safe-deposit boxes, which are not now covered by our present policies, except where the physical location of safe-deposit boxes are within the vault that contains the money chests and securities belonging to the bank contents of said boxes are covered to the extent of 10 per cent. of the face of the policy on property of the bank.

To meet this situation your committee have authorized a rider which may be attached to the A. B. A. form, and for an additional charge based on equipment will insure the contents of any one or individual box up to \$5,000.

We have authorized the various insurance companies to place an indorsement on the 1918 copyrighted bank burglary and robbery policy covering securities, including U. S. Government bonds and war savings stamps that are not the property of the bank in safe-deposit boxes and the contents of which are unknown to the banks.

During the past twelve months ending August 31, 1919, every member that has been burglarized or held up has been written to regarding their loss, with the suggestion that they forward their policy or policies, by registered mail, to the Insurance Committee for inspection and information. Most of these members have taken advantage of this offer and a large number of opinions have been rendered, the advantage of the A. B. A. form emphasized, and suggestions made that they discontinue the use of existing policies at their expiration and use the A. B. A. copyrighted form, which has a much broader coverage than any other on the market.

The character of the Insurance Committee service to members is illustrated by the recital of a few instances taken at random. One of our members in the state of Washington had a defalcation. They originally asked the security company for A. B. A. forms, but accepted another form; subsequently having a defalcation, they discovered in their policy they would have to prorate the salvage with the company, while under the A. B. A. form they would have been entitled to all the salvage up to their loss. They took the matter up with the company and had considerable correspondence relative to construing this policy as an A. B. A. form. The company refused to construe their policy as such, then the bank referred the matter to the Insurance Committee, who went into the same very carefully, with the result that the security company agreed to construe the policy as that of an A. B. A. form and from the salvage the bank recovered an additional 50 per cent. of the face of the policy.

There was another case where a bank member was burglar-

ized, and they organized a posse and requested the insurance company to pay the expense incurred. The company refused and stated that such expense was not covered by their policy, which was correct. The matter was taken up with the Insurance Committee and the company agreed to stand the expense incurred by the bank and notified their adjustors accordingly.

There is still another case where a bank member was burglarized. The burglars stole several thousand dollars' worth of registered bonds of the last issue. It appears that the first coupon on these bonds was a cash or bearer coupon. The agent of the insurance company contended that the company was not liable for the coupons or for the expense incurred by the bank in furnishing a surety bond to the government in order to have a new bond issued. The bank took the matter up with the Insurance Committee, who conferred with the insuring company with the result the company concluded to pay the claim of the bank.

A most interesting and unusual situation recently developed by reason of the interpretation of the United States Circuit Court of Louisiana, of certain language appearing in the American Bankers Association Copyrighted Form Bank Burglary and Robbery Policy, the outcome of which is of great importance and interest to all member banks.

The 1918 and 1914 Copyrighted Bank Burglary and Robbery Policy forms of the Association cover, under Section I, General Agreement "B," in the 1918 form, and Section I, General Agreement "C," in the 1914 form, all loss by robbery of money and securities, "from within the banking enclosure reserved for the use of officers or office employees of the assured." General Agreement "B" in the 1918 form and General Agreement "C" in the 1914 form also provides that robbery is covered "from within that part of the safe or safes or vaults insured hereunder, caused by robberies during the day or night by compelling an officer or an office employee of the assured to unlock and open the safe or safes or vault."

The decision of the United States Circuit Court of Louisiana above referred to held that the safe or safes or vault were not necessarily a part of the banking enclosure reserved for the use of officers or office employees of the assured, and that the policy did not cover the robbery of money and securities from the safe or safes or vault unless the safe or safes or vault were closed and locked and the robbers compelled some officer or office employee to unlock and open same.

Recently a member bank of the Association sustained a loss by robbery of \$59,000, approximately \$38,000 of which was due to the abstraction of money and securities from unlocked safes and vaults by the robbers, which safes and vaults were open in the usual conduct of the bank's business, and which was not opened at the time of the robbery by any officer or office employee being compelled to do so by the robbers. The insurance company covering this member bank under the American Bankers Association copyrighted form held that it had no liability for that part of the loss being approximately \$38,000 above described. The insurance company quoted the decision of the Louisiana court above outlined. The matter was referred by the bank to the Insurance Committee of the American Bankers Association, which committee, through its secretary, took the case up with the insurance company. It was the contention of the Insurance Committee that the copyrighted policy as compiled by the Insurance Committee in conference with the Bank Committee of the Burglary Underwriters Association, and after frequent and full discussions by and between these two committees both the language and the intent of the policy were agreed upon; that it was neither the intent of the policy or of either committee that any loss occurring under the conditions cited in this article should be excluded from the policy. The insurance company agreed to submit the whole matter to the Insurance Committee of the American Bankers Association for a decision as to whether or not the claim of the bank should be paid. The Insurance Committee unanimously agreed that the claim should be paid, and the insurance company, upon being duly notified of that decision, promptly transmitted to the bank its check in full settlement.

The Insurance Committee, through its secretary, then brought the whole situation to the attention of the Burglary Underwriters Association, with the result that an indorsement was agreed upon which would clearly eliminate any further doubt as to the coverage of the policy under conditions of this sort. The indorsement was then submitted to all of the insurance companies licensed to write the American Bankers Association copyright forms, and all companies unanimously agreed not only to attach this indorsement to all copyright burglary forms hereafter issued by them, but also to construe all existing and outstanding policies written on the copyright forms as covering in accordance with the indorsement.

The members of the Insurance Committee and its secretary are greatly pleased with this result—first, because it clears up satisfactorily a doubtful clause in the policy, and second, because it indicated that the impartial and fair attitude which the Insurance Committee has tried at all times to assume in all matters between member banks and insurance companies, has caused insurance companies to abandon technical positions to seek a just and fair and liberal basis upon which to do business with the member banks of this Association.

All the thirty-three insurance companies licensed to write the copyrighted form of the American Bankers Association have agreed to use the indorsement referred to on the new policies and to construe existing policies as subject to the terms of the indorsement, whether or not such indorsement appears on the policy. For your further information a copy of the indorsement agreed upon is as follows: "From within the banking enclosure reserved for the use of officers or office employees of the assured, or from within any locked or unlocked safe or vault, located within or opening directly into said enclosure, provided at least one officer or office employee of the assured is present and regularly at work in the said premises."

On September 8, 1919, there was a meeting held at the Hotel Traymore, Atlantic City, N. J., by your Insurance Committee and the burglary insurance companies. There has never been a meeting held before of the companies themselves and the Insurance Committee. The program comprised:

First: New copyright burglary policy 1919 issue. This policy was discussed very fully and certain changes were suggested by the various insurance companies. The proposed form of policy was then submitted to the Burglary Underwriters Association at their meeting the following day at Atlantic City and they are to submit a new draft to the Insurance Committee for such action as they deem advisable in the near future. There is no radical changes contemplated but a few in clearing up certain phraseology.

Second: Special copyright form to cover securities only at reduced rate. This is to be taken care of by the proposed changes in the 1919 form.

Third: Safety deposit box coverage. It was unanimously voted that a separate and distinct policy be gotten out to cover the insurance to banks covering the safe-deposit boxes be drafted and adopted.

Fourth: Forgery coverage. This subject was referred to the Fidelity Section, as the Burglary Departments decided it was better to confine that class of coverage to the surety end.

Fifth: Increase in rate on hold-up insurance. The Burglary Insurance Underwriters Association submitted figures for the past eighteen or nineteen months, showing the actual loss by states (shown below) paid in connection with burglaries and hold-ups and the cases still pending, they dividing two classes.

States	Robbery Paid	Robbery Outstanding	Burglary Paid	Burglary Outstanding
Arizona	\$100.00		\$1,356.87	
Arkansas	17,120.04	\$5,000.00	8,162.30	\$600.00
California	20,571.91		324.43	
Colorado	100.00		999.46	
Florida			676.50	
Georgia			6,808.66	5,150.00
Illinois	197,471.29		61,379.56	4,008.85
Indiana	36,844.26		10,153.71	267.00
Iowa	11,508.78	20,000.00	10,481.25	
Kansas	86,249.00	21,935.00	12,882.88	2,802.00
Kentucky	3.93	1,000.00	800.00	
Louisiana	10,000.00	7,000.00		
Maryland			107.50	
Michigan	5,502.44		6,195.18	825.00
Mississippi			84.77	
Missouri	63,173.75	50.00	14,188.07	100.00
Minnesota	55,271.47	11,500.00	188.15	
Montana			3,272.95	
New Mexico	1,343.26		17.90	
Nebraska			500.00	

State	Robbery Paid	Robbery Outstanding	Burglary Paid	Burglary Outstanding
New York	3,966.55		2,238.11	
North Carolina			66.70	
North Dakota			24,359.02	
Ohio	18,293.00		5,098.20	1,750.00
Oklahoma	33,644.24	23,000.00	292.98	445.00
Oregon	7,054.50		345.55	71.80
Pennsylvania	2,728.00	400.00	2,506.30	
South Carolina			142.28	
South Dakota	3,500.00		84.59	
Tennessee	6,397.50			250.00
Texas	475.00	1,000.00	508.25	554.00
Washington	6,797.52		74.52	300.00
West Virginia	2,008.75		1,305.73	
Wisconsin	3,300.00		691.17	200.00
Wyoming	300.00			
Virginia				200.00
	\$593,725.19	\$90,885.00	\$176,293.54	\$17,523.65

Total robbery reported claims, \$684,610.19. (This is 78 per cent. of all losses.)

Total burglary reported claims, \$193,817.19.

Total of above as itemized:

Robbery paid up	\$593,725.19
Robbery outstanding	90,885.00
Burglary paid up	176,293.54
Burglary outstanding	17,523.65

They also report the robbery losses as itemized from newspaper clippings as follows, for which it is worth:

Money	\$1,120,353.00
Securities	938,050.00
Money and securities	288,000.00

Total..... \$2,346,403.00

This is the first time that the Burglary Insurance Underwriters Association have submitted any figures as to the losses that they have paid, as they have always claimed that they did not separate the bank business from their other burglary lines. The committee did not go on record as approving or disapproving the action of the insurance companies increasing their rates, but their figures submitted would indicate that they have not made any profit on the bank burglary and robbery business for the past eighteen or nineteen months. They also stated what their annual premium was, about \$500,000. Your committee is engaged in checking up these figures. There were about forty people present at the meeting, including your committee and its secretary and General Counsel, Mr. Thomas B. Paton, and the secretary of the Burglary Insurance Underwriters Association.

The Hartley-Cooper Group of Lloyds have submitted a new form of Lloyds Blanket Bank Policy for the approval of the Insurance Committee. This form was discussed very fully by the Insurance Committee and by General Counsel Paton. General Counsel Paton made some suggestions as to changes which Lloyds agreed to insert. The new draft of the blanket bond gives the banks a wider coverage than anything that has heretofore been seen in the American or foreign markets, but the Insurance Committee, as has been its custom in the past whenever approving the form of any Lloyds contract to qualify with a statement that while the reputation of the Hartley-Cooper Group for paying claims in America is high, it is nevertheless a fact that in the event of differences between the bank and Lloyds and results litigation, suit would have to be brought abroad.

One particular clause (covering forgery) we wish to call your particular attention to is as follows: "By reason of the payment, whether received over the counter or through the clearing house or by mail, of forged or raised checks or (genuine) checks bearing forged indorsement or the establishment of any credit to any customer on the faith of such checks." In the American blanket bond there is no such clause, as the American bond does not cover forgeries of any kind.

The Insurance Committee has approved the Lloyds blanket bond as to form and further qualified their approval by the explanation as previously outlined.

Thirty-three insurance companies have been licensed to execute our 1918 copyrighted bank burglary and robbery policy of the Association and thirty-five companies have been licensed to execute the 1913 copyrighted form of Fidelity bond.

In concluding this report your committee desires to express their appreciation of the loyal and efficient service of our secretary, Mr. L. W. Gammon.

Changes Among Bank Officers

Following is a list of changes in institutions which are members of the American Bankers Association, reported to the Journal from August 26 to September 25, inclusive. Members will confer a favor by notifying this department immediately of any such changes. Publication will be made only on receipt of information direct from members.

ALABAMA

Birmingham—K. W. Berry elected vice-president First National Bank.

ARKANSAS

Little Rock—Z. B. Curtis elected vice-president and cashier Union & Mercantile Trust Company.

CALIFORNIA

Glendora—A. M. Bernhardt elected president First National Bank of Glendora, succeeding W. L. Wiley, deceased.

Hemet—William N. Bender elected cashier First National Bank, succeeding Ada M. Hogue, resigned.

Stockton—Edward F. Harris, formerly cashier, elected vice-president Commercial & Savings Bank, succeeding Frank O. Cobb, deceased; Frank A. Meyer, formerly assistant cashier, now cashier.

Tulare—L. L. Abercrombe, formerly cashier, elected president National Bank of Tulare, succeeding Joseph La Marche, deceased; W. P. Williams, formerly assistant cashier, now cashier.

COLORADO

Grover—Robert E. Taylor elected president Grover State Bank, succeeding George S. Adams.

Meeker—Reuben Oldland elected president First National Bank, succeeding E. C. Parks, resigned.

Wray—P. J. Sullivan, formerly cashier, elected president First National Bank; J. Bryan, now cashier.

GEORGIA

McRae—O. F. McRae elected vice-president and cashier The Merchants Bank of McRae, succeeding E. F. McRae, retired.

IDAHO

Buhl—J. H. Barker elected cashier First National Bank.

ILLINOIS

Aurora—John Alexander elected vice-president First National Bank, succeeding J. S. Holmes.

Beardstown—Floyd M. Condit elected cashier First National Bank, succeeding Thomas K. Condit, deceased.

Elgin—E. D. Waldron elected president Home Trust & Savings Bank, succeeding John McNeil, deceased.

La Salle—A. W. Wirtz appointed cashier La Salle National Bank, succeeding W. C. MacFarlane, resigned.

Mount Carmel—Walter R. Kimzey elected president First National Bank, succeeding H. T. Goddard, retired.

Peoria—J. B. Bartholomew elected vice-president Merchants & Illinois National Bank, succeeding Frederick H. Smith, deceased.

IOWA

Bennett—J. B. Vaughan, formerly assistant cashier, elected cashier Bennett Savings Bank, succeeding E. P. Wingert, resigned.

Cedar Rapids—Lloyd Derflinger, formerly assistant cashier, elected cashier Cedar Rapids Savings Bank, succeeding W. O. Reed, resigned.

Davenport—Irvin J. Green elected cashier First National Bank, succeeding L. J. Yaggy, resigned.

Des Moines—Leo Stevens resigned as vice-president Iowa Loan & Trust Company.

Germania—G. L. Dalton, formerly cashier, elected president Farmers & Drovers State Bank, succeeding E. G. Seymour, deceased; W. E. Carlson, formerly assistant cashier, now cashier.

Greene—A. H. Nolterieke elected cashier Merchants National Bank, succeeding R. P. Palmer, resigned.

Hull—Victor D. Button elected cashier First National Bank, succeeding C. J. Wilson, resigned.

Iowa City—G. S. Krouth elected president Iowa City State Bank, succeeding Euclid Sanders, resigned.

Oskaloosa—Carl Mayer elected cashier The Farmers' National Bank, succeeding R. K. Davis, resigned.

Sioux City—Arthur W. Smith, elected cashier Live Stock

National Bank, succeeding Craig D. Van Dyke, resigned.

Sioux City—Ralph R. Brubacher elected cashier National Bank of Commerce, succeeding F. W. Kammann, resigned.

KANSAS

Wichita—R. E. Booth elected president Security State Bank, succeeding George W. Robinson.

KENTUCKY

Fleming—M. E. Lykins elected cashier Bank of McRoberts, succeeding W. W. Whiteaker, resigned.

Frankfort—Eugene E. Hoge, formerly cashier, elected president State National Bank; L. D. Jones, now cashier.

Louisville—Robert N. Cook elected vice-president Liberty Insurance Bank, succeeding J. C. Cardwell.

MASSACHUSETTS

Chelsea—Everett K. Hamill resigned as treasurer Chelsea Trust Company.

Northampton—Warren M. King elected president Northampton National Bank, succeeding C. N. Clark, deceased.

MICHIGAN

Jackson—H. J. Smith elected cashier Central State Bank, succeeding W. E. Bullard, resigned.

Jackson—H. C. Blackman elected vice-president The Peoples National Bank, succeeding F. H. Helmer, deceased.

Muskegon—George A. Abbott, formerly cashier, elected third vice-president Hackley National Bank; Herman C. Wagner, now cashier.

MINNESOTA

Detroit—R. B. Rathbun elected cashier Merchants National Bank, succeeding A. C. Knudson, resigned.

Gibbon—E. H. Gruenhagen elected cashier State Bank of Gibbon, succeeding Wm. H. Gugisberg, resigned.

Iona—H. J. Murphy, formerly cashier, elected president Farmers State Bank; George Rakness, now cashier.

Minneapolis—O. A. Drews elected cashier Chicago Lake State Bank, succeeding L. J. Olson, resigned.

Minneapolis—Charles B. Mills elected president Midland National Bank, succeeding H. R. Lyon.

MISSISSIPPI

Columbus—Parker Reeves elected vice-president Merchants and Farmers Bank, succeeding R. B. Hardy, deceased.

MISSOURI

Belton—C. S. West elected cashier Citizens Bank of Belton.

Greenfield—Charles L. King elected vice-president Dade County Bank, succeeding Edwin Harrison.

Kansas City—E. E. Amick elected vice-president First National Bank.

Kansas City—E. E. Rouse elected secretary Liberty Trust Company.

MONTANA

Ekalaka—P. A. Hilbert elected president Ekalaka State Bank; Septon Cady appointed vice-president.

Great Falls—George P. Anderson elected cashier West Side State Bank, succeeding Claude Elder, resigned.

Lambert—James E. Barrett elected cashier First National Bank of Lambert, succeeding F. W. Conrad, resigned.

Pompeys Pillar—Roy J. Covert elected president First National Bank, succeeding L. L. Madland.

Wisdom—E. A. Griffith elected cashier State Bank of Wisdom, succeeding Carl R. Huntley.

NEBRASKA

Dunbar—Henry S. Westbrook, formerly cashier, elected second vice-president Dunbar State Bank; Earl Seyfer, formerly assistant cashier, now cashier.

Irvington—O. C. Kindig elected president Irvington State Bank; H. H. Kindig is appointed cashier.

Lawrence—V. A. Hall elected cashier Security State Bank, succeeding J. M. Riley.

Omaha—L. M. Swindler, formerly cashier, elected presi-

dent American State Bank, succeeding M. F. Shafer, resigned; Roy E. Karls, formerly assistant cashier, now cashier.

Ord—Joseph P. Barta elected vice-president First National Bank.

Wayne—D. E. Brainerd elected vice-president Citizens National Bank, succeeding A. L. Tucker.

NEW YORK

Amsterdam—A. R. Conover elected vice-president Farmers National Bank, succeeding John K. Stewart, deceased.

Lockport—John T. Symes, formerly cashier, elected president Niagara County National Bank; Howard E. Morrill, formerly assistant cashier, now cashier.

New York—N. D. Putnam, formerly treasurer, elected vice-president Guaranty Trust Company; Hugh R. Johnston, formerly assistant secretary, appointed treasurer.

New York—James H. Conroy, formerly secretary, elected vice-president Manufacturers Trust Company; Henry C. Von Elm, formerly assistant secretary, elected vice-president; Reuben W. Shelter, formerly assistant secretary, elected vice-president; Frederick W. Bruchhauser, formerly assistant secretary, elected vice-president; William L. Schneider, formerly assistant secretary, elected secretary.

New York—Alfred Meyer, L. S. Wyler, Walter M. Van Deusen and William B. Mitchel elected vice-presidents Mercantile Bank of the Americas.

New York—Edwin F. Rorebeck resigned as vice-president Metropolitan Trust Company.

New York—Jacob Bloom elected treasurer Mercantile Bank of the Americas, succeeding W. M. Carlebach, resigned.

Nyack—William H. Radcliff elected secretary and treasurer Rockland Country Trust Company.

NORTH DAKOTA

Crary—H. S. Pond, formerly assistant cashier, elected cashier First National Bank, succeeding O. C. Sagmoen, deceased.

Langdon—R. B. Pollock elected cashier Citizens State Bank, succeeding J. P. Tembruell, resigned.

OHIO

Bucyrus—Albert G. Stoltz, formerly cashier, elected president Second National Bank, succeeding David H. White, deceased; H. E. Cook, now cashier.

Dayton—H. H. Darst elected president City National Bank, succeeding William Stroop, resigned.

OKLAHOMA

Pawnee—S. Thornton, formerly cashier, elected vice-president First National Bank; C. B. Shapard, now cashier.

OREGON

Helix—Gunder Terjeson, formerly vice-president, elected president Bank of Helix, succeeding W. L. Thompson.

Madras—F. G. Kern elected cashier Madras State Bank, succeeding A. J. Betts.

Pilot Rock—C. W. Paulus elected cashier First Bank of Pilot Rock, succeeding L. C. Scharpf, resigned.

PENNSYLVANIA

Bethlehem—Robert E. Wilbur, formerly vice-president, elected president Lehigh Valley National Bank, succeeding W. E. Doster, deceased; A. N. Cleaver now vice-president.

New Castle—E. E. McGill elected president Lawrence Savings & Trust Company, succeeding George W. Johnson, resigned; O. P. Brown elected vice-president.

Oil City—C. M. Lamberton, formerly cashier, elected president Oil City National Bank, succeeding R. G. Lamberton, resigned.

Philadelphia—Freas B. Snyder resigned as vice-president First National Bank.

RHODE ISLAND

Providence—Henry L. Wilcox elected cashier National Bank of Commerce, succeeding Walter C. Nye, resigned.

SOUTH CAROLINA

Charleston—R. S. Small and A. R. LaCoste elected vice-presidents Bank of Charleston.

SOUTH DAKOTA

Watertown—S. B. Crothers elected cashier Peoples Savings Bank, succeeding F. H. Austin.

TENNESSEE

Memphis—S. W. Portlock, formerly vice-president, elected president Peoples Savings Bank & Trust Company, succeeding J. Bright Goodbar, retired.

TEXAS

Fort Worth—Wm. M. Massie elected vice-president Fort Worth National Bank; Robert W. Fender, appointed cashier.

Itaska—C. I. Chiles, formerly cashier, elected president Itaska National Bank, succeeding W. H. Coffman, deceased; W. B. Reese, now cashier.

Houston—Denton W. Cooley, formerly cashier, elected vice-president Union National Bank; H. B. Finch, formerly assistant cashier, now cashier.

Llano—G. G. Galloway, formerly assistant cashier, elected cashier Llano National Bank, succeeding R. L. Fish, resigned.

VIRGINIA

Graham—John Holbrook elected cashier First National Bank of Graham, succeeding Russell A. Wells, resigned.

WASHINGTON

Colfax—Ira M. Camp elected cashier Farmers National Bank, succeeding S. A. Kimbrough.

Kittitas—A. J. Betts elected cashier Kittitas State Bank, succeeding H. W. Higman.

WEST VIRGINIA

Huntington—Charles M. Gohen, formerly cashier, elected president Huntington National Bank, succeeding John W. Ensign, resigned; Charles R. Carder, Jr., now cashier.

Morgantown—John M. Gregg elected president Bank of Morgantown, succeeding Dr. Thomas E. Hodges.

Wheeling—Robert Hazlett, formerly secretary, elected vice-president and secretary Dollar Savings & Trust Company.

WISCONSIN

Bruce—A. G. Krause, formerly cashier, elected vice-president State Bank of Bruce; L. E. Knudson, now cashier.

Chilton—August N. Schewe resigned as cashier Chilton National Bank.

Milwaukee—Reuben S. Peotter, Henry C. Quarles and Robert A. Uihlein elected vice-presidents Second Ward Savings Bank.

Trempealeau—D. E. Chappell elected cashier Citizens State Bank, succeeding L. S. Sanders.

WYOMING

Cody—R. W. Allen elected cashier Shoshone National Bank, succeeding C. L. Brady, resigned.

Mortuary Record of Association Members

REPORTED FROM AUGUST 26 TO SEPTEMBER 25, 1919

Andrews, John F., vice-president Guaranty Trust & Savings Bank, Los Angeles, Cal.

Averill, John C., president Chelsea Savings Bank, Norwich, Conn.

Browning, John Scott, director of American Exchange National Bank and Pacific Bank, New York, N. Y.

Coss, S. A., president Farmers National Bank, Luverne, Minn.

Chapman, E. C., cashier National Bank of Commerce, Columbus, Miss.

Hudtloff, Wm. E., cashier Citizens State Bank, Wausau, Wis.

Knowlton, John C., vice-president Jefferson County National

Bank, Watertown, N. Y.

McClam, J. S., president Farmers & Merchants National Bank, Lake City, S. C.

Stone, John A., assistant cashier Hannibal National Bank, Hannibal, Mo.

Schriber, Charles, vice-president Old National Bank, Oshkosh, Wis.

Wilcox, Rodney, president Mechanics Savings Bank, Cohoes, N. Y.

Weyer, J. Clinton, president First National Bank, Madison, Ind.

Membership Changes

REPORTED FROM AUGUST 26 TO SEPTEMBER 25, 1919

There are frequent changes which come about through consolidations, mergers, liquidations and changes of title. The General Secretary of the Association would appreciate receiving from members notice of any changes which occur, for the purpose of keeping the membership list correct and giving publicity through the columns of the Journal.

Alabama	Headland	Farmers & Merchants Bank changed to Farmers & Merchants National Bank.	New York	Scandinavian Trust Company merged with Liberty National Bank.	
California	Pasadena	Crown City Trust & Savings Bank changed to National Bank & Trust Co.	Ohio	Archbold	Farmers & Merchants Bank changed to Farmers & Merchants State Bank.
Illinois	Mendota	Germania Bank changed to Farmers & Merchants State Bank.	New Madison ...	Farmers Banking Company changed to Farmers State Bank.	
Louisiana	New Orleans ...	Metropolitan Bank changed to Pan-American Bank & Trust Company.	Texas	Brownwood ...	Brownwood National Bank changed to First National Bank.
Missouri	St. Louis	Wm. R. Compton Bond & Mortgage Company changed to Wm. R. Compton Investment Company.	Dallas	Cain, Sherwood & King succeeded by J. P. Scranton & Company.	
New York	Jamestown	Swedish-American National Bank changed to American National Bank.	Orange	Orange State Bank changed to Guaranty Bank & Trust Company.	
			Virginia	Narrows	First State Bank changed to First National Bank.

New and Regained Members from August 25 to September 25, 1919 Inclusive

Alabama Henry National Bank, Abbeville 61-459.	IOWA—Continued Burt National Bank, Burt 72-982. Farmers Bank, Chester 72-1779. Clarence Savings Bank, Clarence 72-831. Butler County State Bank, Clarksville 72-691. Cresco Union Savings Bank, Cresco 72-328. Northwest Davenport Savings Bank, Davenport 72-13. Delhi Savings Bank, Delhi, 72-1280. Dike Savings Bank, Dike 72-1745. Farmers Savings Bank, Doon 72-1940. Farmers & Merchants Savings Bank, Dunkerton, 72-1958. Farmers & Merchants Savings Bank, Durant 72-797. Merchants National Bank, Eagle Grove 72-266. Peoples Savings Bank, Eldridge 72-1141. Farmers Bank, Elma 72-736. First National Bank, Fayette 72-504. Farmers Fenton Savings Bank, Fenton 72-1145. Fenton State Bank, Fenton 72-1144. Farmers & Merchants Bank, Floyd 72-1981. First National Bank, Fredericksburg 72-923. Peoples Savings Bank, Garrison 72-1020. American State Bank, George 72-886. Merchants Exchange Bank, Hamburg 72-429. Security Savings Bank, Hartley 72-981. First National Bank, Harvey 72-1367. Farmers Savings Bank, Havelock 72-1366. First National Bank, Iowa Falls 72-318. Farmers & Merchants National Bank, Jefferson 72-1696. Farmers Savings Bank, Kalona 72-999. State Savings Bank, Kalerim 72-1402. Farmers State Bank, Lakeview 72-1810. Iowa Savings Bank, Lamotte 72-1405. Farmers Savings Bank, Langdon 72-1719. Citizens Bank, Little Cedar 72-1669. State Savings Bank, Logan 72-486. Bank of Lu Verne, Lu Verne 72-968. First State Bank, Lynnville 72-1441. Farmers & Merchants Savings Bank, Manly 72-1086. Farmers Savings Bank, Masonville 72-1452. State Savings Bank, Modale 72-1475. Monteith Savings Bank, Monteith 72-1800. First Trust & Savings Bank, Moville 72-1991. Martelle Bank, Martelle 72-1150. McClelland Savings Bank, McClelland 72-1458. State Savings Bank, Missouri Valley 72-286. First National Bank, Northwood 72-531. Oakland Savings Bank, Oakland 72-600. Ocheyedan Savings Bank, Ocheyedan 72-896.	IOWA—Continued Mitchell County Savings Bank, Osage 72-347. Peoples Savings Bank, Persia 72-1078. Security Bank, Sloan 72-937. Peoples Savings Bank, Saint Benedict 72-1599. Farmers Bank, Sallix 72-1065. Pleasant Prairie Savings Bank, Pleasant Prairie, Fairport, R. F. D. No. 1, 72-1969. Security State Bank, Radcliffe 72-835. Readlyn Savings Bank, Readlyn 72-1549. Union Savings Bank, Redding 72-1551. Citizens Savings Bank, Spencer 72-301. Citizens Savings Bank, Sexton 72-1157. Shellsburg Savings Bank, Shellsburg 72-1784. Ripley Savings Bank, Ripley 72-1047. Keokuk County State Bank, Sigourney 72-389. Farmers & Merchants Bank of Leeds, Sioux City 41-69. Morningside Bank, Sioux City 41-58. Farmers Savings Bank, Spragueville 72-1809. First National Bank, Stanton 72-1597. Farmers Savings Bank, Templeton 72-1811. Peoples Savings Bank, Templeton 72-1968. Treyner Savings Bank, Treyner 72-1619. Tripoli State Bank, Tripoli 72-765. Farmers Savings Bank, Troy Mills 72-1620. Waverly Savings Bank, Waverly 72-378. Citizens National Bank, Webb 72-1648. Weldon Savings Bank, Weldon 72-1645.
Arizona First National Bank, Chandler 91-132. Security Trust & Savings Bank, Yuma 91-131.	Kansas Munden State Bank, Munden 83-953. Bank of Pleasanton, Pleasanton 83-329. Farmers State Bank, Wellington 83-104. Ranchmen's State Bank, Wichita 40-70.	Louisiana Hibernia Bank & Trust Co., Algiers Branch, New Orleans 14-9. Mercantile Bank of the Americas, New Orleans 14-63.
Arkansas First National Bank, Lepanto 81-604. First National Bank, Rector 81-578.	Massachusetts Needham Trust Co., Needham, 56-610.	Michigan American State Bank, Dearborn, 74-1042. Merchants & Mechanics Bank, Hamtramck 74-1039. Farmers State Bank, Kawkawlin 74-911.
California First National Bank, Tranquillity 90-897.	Minnesota State Bank of Lake Elmo, Lake Elmo 75-1019. Security State Bank, Milaca 75-1407.	
Connecticut Richter & Co., Hartford.		
Georgia Bank of Boston, Boston 64-384. Farmers & Merchants Bank, Milltown 64-364. Plains Bank, Plains 64-690.		
Idaho Burley National Bank, Burley 92-264.		
Illinois Bank of Bishop Hill, Bishop Hill 70-1176. First National Bank, Brownstown 70-1192. First National Bank, Brighton 70-1021. Inter-State National Bank of Hegewich, Chicago 2-146. State Bank of Donnellson, Donnellson 70-1262. First National Bank, Kinmundy 70-868. Bank of Modesto, Modesto 70-1467. First National Bank, St. Peter 70-1111. Troy State Bank, Troy 70-1961. Winnebago State Bank, Winnebago 70-1758.		
Indiana Cynthiana Banking Co., Cynthiana 71-722. Citizens Loan & Trust Co., Frankfort 71-264.		
Iowa Andrew Savings Bank, Andrew, 72-1760. Anita Bank, Anita 72-591. Ainsworth Savings Bank, Ainsworth 72-1164. Kossuth County State Bank, Algona 72-309. Arnolds Park Savings Bank, Arnolds Park 72-1976. Farmers Savings Bank, Atkins 72-1839. Baldwin Savings Bank, Baldwin 72-1187. Rooneville Savings Bank, Rooneville 72-1212.		

Missouri

Bloomfield Bank, Bloomfield 80-471.
Farmers & Commercial Savings Bank, Clayton
Doniphan State Bank, Doniphan 80-454.
Peoples National Bank, Jackson 80-321.
Centropolis Bank, Kansas City 18-67.
Bank of Manchester, Manchester 80-1084.
1541.
Citizens Bank of Marionville, Marionville 80-450.
Farmers Exchange Bank, Marshfield 80-
Citizens Bank of New Franklin, New Franklin 80-579.

Nebraska

Bennington State Bank, Bennington 76-922.
Brownlee State Bank, Brownlee 76-950.
American Bank, Mitchell 76-1202.
Farmers State Bank, Morse Bluff 76-1148.
Farmers State Bank, Naper 76-1101.
Farmers State Bank, North Loup 76-826.
Nebraska State Bank, O'Neill 76-141.
Richland State Bank, Richland 76-852.
First State Bank, St. Paul 76-205.
Santee State Bank, Santee 76-1115.
Commercial State Bank, Stamford 76-1072.
Farmers State Bank, Superior 76-1078.
Bank of Wilber, Wilber 76-216.
Farmers State Bank, Wynot 76-594.

New Jersey

Colonial Trust Co., Trenton 55-80.

New York

Second National Bank, Hempstead 50-996.

North Dakota

Bank of North Dakota, Bismarck.
Farmers & Merchants State Bank, Driscoll 77-487.
Mouse River Valley Bank, Souris 77-388.
Farmers Bank, Sutton 77-995.

Ohio

Commercial Savings & Trust Co., Ashtabula 56-171.
Northern National Bank, Cleveland 6-20.

Oklahoma

First State Bank, Allen 86-507.
Citizens State Bank, Altus 86-960.
Security State Bank, Blackwell 86-1076.
Bokchito State Bank, Bokchito 86-1045.
State Exchange Bank, Bokoshe 86-686.
First State Bank, Brinkman 86-692.
Bromide State Bank, Bromide 86-694.
State Bank of Calumet, Calumet 86-700.
Castle State Bank, Castle 86-707.
Cheyenne State Bank, Cheyenne 86-574.
First State Bank, Durant 86-90.
Bank of Earlsboro, Earlsboro 86-738.
Washita Valley Bank, Ft. Cobb 86-609.
Bank of Gage, Gage 86-407.
Producers State Bank, Hartshorn 86-1061.

OKLAHOMA—Continued

Liberty State Bank, Holdenville 86-218.
Bank of Homestead, Homestead 86-780.
First State Bank, Hugo 86-100.
Bank of Hunter, Hunter 86-784.
First State Bank, Indianola 86-785.
Indianola State Bank, Indianola 86-786.
Farmers National Bank, Kaw 86-528.
National Bank of Kaw City, Kaw 86-529.
Kenebec State Bank, Kenebec 86-1046.
Bank of Lamar, Lamar 86-807.
Farmers Bank, Lambert 86-808.
First State Bank, Lamont 86-513.
Citizens National Bank, Lenapah 86-1129.
Lenora State Bank, Lenora 86-810.
Security State Bank, Lexington 86-458.
Farmers Exchange Bank, Lindsay 86-344.
Farmers & Merchants State Bank, Loveland 86-815.
Bank of Lucien, Lucien 86-817.
Bank of McAlester, McAlester 86-25.
McComb State Bank, Macomb 86-826.
Mannsville State Bank, Mannsville 86-1027.
First State Bank, Marietta 86-295.
Farmers State Bank, Marshall 86-449.
First State Bank, Milburn 86-586.
Mustang State Bank, Mustang 86-834.
State Bank of Newalla, Newalla 86-838.
Norman State Bank, Norman 86-125.
Citizens State Bank, Okemah 86-310.
State Bank of Paden, Paden 86-851.
First State Bank, Paula Valley 86-923.
American State Bank, Pryor.
Farmers State Bank, Quinton 86-487.
First National Bank, Seminole 86-571.
First State Bank, Strang 86-972.
Tecumseh National Bank, Tecumseh 86-282.
Security National Bank, Temple 86-1115.
Security State Bank, Tribbey 86-938.
Commercial Bank, Wynnewood 86-364.
First State Bank, Wynnewood 86-240.
Southern National Bank, Wynnewood 86-239.

Pennsylvania

Liberty Trust Co., Allentown.
First National Bank, Gratz 60-1177.
McVeytown National Bank, McVeytown 60-1245.
Northumberland National Bank, Northumberland 60-1283.
Brooke, Stokes & Co., Philadelphia.
Pine Grove Bank, Pine Grove 60-992.
Manufacturers Bank, Pittsburgh 8-73.
Citizens National Bank, Waynesburg 60-803.

South Carolina

First National Bank, Clover 67-532.

South Dakota

Dakota State Bank, Baltic 78-503.
Farmers State Bank, Bancroft 78-704.
Security State Bank, Blunt 78-743.
First State Bank, Bowdle 78-211.
Farmers & Merchants Bank, Britton 78-727.

SOUTH DAKOTA—Continued

Bank of Bruce, Bruce 78-413.
Buffalo Gap State Bank, Buffalo Gap 78-407.
Farmers & Merchants State Bank, Bushnell 78-514.
Citizens State Bank, Canastota 78-332.
Carter State Bank, Carter 78-442.
Claire City Bank, Claire City 78-076.
Guaranty State Bank, Claremont 78-776.
Colton Savings Bank, Colton 78-341.
Corona State Bank, Corona 78-468.
Farmers & Merchants State Bank, Herreld 78-324.
First State Bank, Leola 78-280.
Bennett County Bank, Martin 78-760.
First State Bank, Onaka 78-592.
Farmers State Bank, Parker 78-671.
First State Bank, Roscoe 78-361.
Virgil State Bank, Virgil 78-629.
Farmers State Bank, Witten 78-491.

Tennessee

Federal Reserve Bank of Atlanta, Nashville.
Bank of Statesville, Statesville 87-478.

Texas

American National Bank, Cisco 88-1844.
Denton County National Bank, Denton 88-214.
National Bank of Commerce, Fort Worth 87-19.
Federal Reserve Bank of Dallas, Houston.
Mayo's Money Exchange, San Antonio.

Utah

State Bank of Hurricane, Hurricane 97-120.
State Bank of Park City, Park City 97-115.

Virginia

Commonwealth National Bank, Reedville 68-519.

Washington

Farmers National Bank, Pomeroy 98-415.

West Virginia

Beckley National Bank, Beckley 69-323.
Bank of Princeton, Princeton 69-129.

Wisconsin

Farmers State Bank, Minong 79-766.

Wyoming

American National Bank, Cheyenne 99-7.
Cheyenne State Bank, Cheyenne 99-8.
First National Bank, Lusk 99-167.

Mexico

Mortgage & Loan Banking Co., S. C. L. City of Mexico.
Juarez Banking & Investment Co., C. Juarez, Chihuahua.

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